BENJAMIN FRANKLIN by CARL REEVE

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The COMMUNIST

JULY

1939

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LATIN AMERICAN ISSUE

WILLIAM Z. FOSTER
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The COMMUNIST

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REVIEW OF THE MONTH

Wall Street Formulates Political Issue. Pleads for Reconstruction and Threatens Grim Reaction. German Experiences. The Real Alternatives Before the American People. Two Lines of Republican Party Tactics. Tory Democrats and the Fascist Reserves of Finance Capital. Coughlin and Moseley. The Special Role of Norman Thomas. Fighting for the Line of the Democratic Front. Reactionary Incitements Against Latin America. On Loans and Debts. Can We Prime the Pump of the Western Hemisphere? The Good Neighbor Policy and World Peace. Puerto Rico. Molotov's Speech on Mutual Assistance. On Movement for World Labor Conference. American Labor Has a Part to Play. Trade Union Unity in the United States and Latin America. Unsolved Problems of Communist Branches. Functions and Commissions.

A REVEALING line of political reasoning is coming to expression in certain Wall Street circles. It is, namely, that if the majority of the people refuse to abandon the New Deal, then fascism becomes the only alternative for the United States. Naturally, this is not put as bluntly as that. It is done, on the contrary, cautiously and circumspectly, but the meaning is the same.

Thus the *Wall Street Journal*, in a series of articles by Bernard Kilgore, formulates the issue as follows:

"According to present indications, one of two major trends will develop in the national government of the United States within the next few years. The alternatives seem to be reconstruction or reaction." (June 6.)

"Reconstruction or reaction"—what might that mean?

"Reconstruction means the complete overhauling of the assortment of economic and social experiments that have come to be known as the New Deal. Reaction means, in brief, tearing the New Deal out by the roots." *(Ibid.)*

Here the talk is only of two alternatives. The destruction of the people's achievements under the New Deal by the method of "overhauling," which is an impossibility, that it does not less gradual and painless process. Or —the second alternative—the destruction of these achievements by "tearing the New Deal out by the roots," which obviously suggests not only a rapid and more concentrated attack upon the masses, something unthinkable without the use of force and violence, but a dispersal of all those forces which made the New Deal possible. In brief, the destruction of American democracy and the establishment of fascism. The possibility of a third alternative, the one most desired by the majority of the people, the continuation and further development of the New Deal, this alternative is not even admited for the sake of argument by Wall Street's analysts.

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Wall Street reactionaries wish to be on record as preferring the more gradual and painless process, the one of "overhauling." "A new administration," they say, meaning of course a Republican administration, "may still have time to do the job after the national elections of 1940," that is, the job of overhauling. But. . . .

"But the time element in the present situation is difficult to gauge and the danger of another political explosion is present. *That explosion would be grim reaction.* It would mean, perhaps, the end of New Deal objectives along with New Deal methods." (*Ibid.* Our emphasis—A. B.)

So, that's what it is. If the people do not elect a Republican administration in 1940, to "overhaul" the New Deal a la Hoover and Garner, there will be a political "explosion," which will mean "grim reaction." Mind you, not just reaction but "grim" reaction. And Mr. Kilgore is obliging enough to explain that such an explosion of grim reaction would naturally create the "threat of dictatorship." Of course, he says further, "the people wouldn't stand for it—unless they thought a desperate ailment called for a desperate remedy." But then the failure of the people to elect in 1940 a Republican administration would result in precisely this sort of "desperate" situation, according to Mr. Kilgore. Hence, the need of a "desperate" remedy—the threat of a fascist dictatorship.

To put the whole thing in plainer language, this is what it all means. Seeing that the majority of the people stand by the New Deal, favoring its continuation and improvement as well as determined to register that fact in the 1940 elections, the Wall Street reactionaries—seeing all this—are evolving the following stratagem: Make the people believe that the continuation of the New Deal after 1940 is an impossibility, that it does not even exist as an alternative. Impress the people's minds with the idea that the *least* that will have to be done with (or to) the New Deal is a complete overhauling of all its measures and policies while paying tribute in a general way to its "objectives"; this, of course, requiring the election of a Republican administration to do the job. And to make sure that the people will listen to this Wall Street advice, terrorize them with the second alternative—fascism. In other words, if you don't vote Republican in 1940, you will get something much worse.

It is not difficult to see that "overhauling" and "reaction," which the *Wall Street Journal* presents as two alternatives—as either or—are in reality *one* alternative, overhauling *and* reaction, the former being a stage to the latter. When Wall Street reaction tries to tell the people that they can buy themselves out of the threat of a fascist dictatorship by voting a Republican administration into office and allowing it to "overhaul" the New Deal, finance capital is perpetrating a fraud. Overhauling would merely be a beginning, a first stage, followed by reaction—"grim" reaction, as Mr. Kilgore himself said—which in the present world situation means opening the road to fascism. Wasn't this substantially the process by which Hitler fascism came into power?

The people's memories should be refreshed with some of these costly experiences of other peoples and nations. Hitler fascism was eased into

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power precisely by a process of overhauling and reaction carried out by political parties which were pledged to democracy and social reforms. And here is how it was done.

First, monopoly capital used the reactionary leaders of Social-Democracy to stop the development of the post-war revolution by promising and offering social reforms as a substitute for the revolutionary transformation of society into socialism. In this, the reactionary Social-Democratic leaders "succeeded," and the revolution was crushed. Was monopoly capital satisfied with that? No. As the general crisis of the capitalist system continued to deepen, sharpening the contradictions of capitalism and the difficulties of monopoly domination, German finance capital initiated an era of "overhauling," overhauling the Weimar democratic republic and its social reforms, cutting them down, emasculating them, suspending their operation. Something very much like what the Republicans and the Garner Democrats are trying to do with the New Deal reforms. This the German people did not like. They resisted it. They fought to preserve their gains, even though seriously hampered by the split in the working class which the reactionary Social-Democratic leaders were perpetuating.

What happened then? Did finance capital in Germany decide to accede to the will of the people and stop the "overhauling"? No. German finance capital proceeded to the next stage, to the stage of "tearing the Weimar republic and its social reforms out by the roots," to use Mr. Kilgore's own phrase. This meant in fact unrestrained suppression by violence of the people's continued resistance, accompanied by systematic curtailment of democratic rights and civil liberties, followed by legislation which made the economic conditions of the masses incomparably worse than they were prior to the republic's social reforms. Thus German finance capital moved *from overhauling to reaction.* It was not either or; it was *both,* one leading to the other. And, again, this was accomplished with the hands of the reactionary leaders of Social-Democracy collaborating with the so-called liberal and social-reform parties of the bourgeoisie.

Did finance capital stop there? No. It did not. Instead of softening the growing contradictions of capitalism and improving the economic situation for the masses, as promised by Germany's Wall Street and its reformist collaborators who were peddling the fraud of the "lesser evil," overhauling and reaction only succeeded in sharpening these contradictions and in worsening materially the economic situation. As a consequence, the masses intensified their resistance to the reactionary offensive, much as they were handicapped by the lack of unity. Did Germany's Wall Street decide to desist and refrain from further overhauling and reaction? Everybody knows that it did not. It continued the process, *at the same time* building up Hitler fascism as an extra-legal force to suppress the people's progressive movements and as a constant *threat* to these movements of an *alternative* government. As if to say to the masses: if you don't like to be *overhauled* by governments paying lip-service to the objectives of the Weimar republic, you will be *up-*

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rooted by a fascist government. If you don't like a government of Social-Democratic reactionary leaders in coalition with Bruening (the Catholic Centrist Party), cutting your social reforms and democracy *piecemeal* and gradually (overhauling it), we will give you a government of Bruening alone which will do the job wholesale and more rapidly. And if you don't like that, we will give you Von Papen. He will do it even more thoroughly. But should this too prove unsatisfactory, we have Hitler in reserve. We will bring him. Have your choice —said Germany's Wall Street to the German masses.

All this arose not from the strength of German capitalism and its dominating monopoly sections but from the deepening crisis and inability to rule by the old methods. Had the working class been united, following a policy of consistent struggle against "overhauling" in the first instance, it would have rallied the majority of the people around itself into an unbeatable force, checking reaction at its very source and making impossible the rise of fascism to power. It was the *absence* of such united struggle, assured by the reactionary leaders of Social-Democracy with their treacherous policies of "the lesser evil," that enabled Germany's Wall Street to realize its objectives: overhauling, reaction, fascism.

* * *

IN THE light of these experiences, the meaning of the present-day policies of *American* finance capital becomes crystal clear. The *Wall Street Journal* and Mr. Kilgore are trying to apply the tactics of German finance capital in the period under review to present-day American conditions, seeking a favorable turn to their pro-fascist objectives in the elections of 1940.

Learning from its counterpart in Germany, Wall Street monopoly reaction prefers to talk today not so much about uprooting the New Deal as of overhauling it, holding out the uprooting part as a threat. But the political instruments available to Wall Street for this purpose are evidently different from those used by its German counterpart. There is no powerful Social-Democratic Party here, with reactionary leaders able to undertake the task. What there is in this country along these lines is the majority of the Executive Council of the A. F. of L. which is all too willing to serve the purpose. That is, to keep labor disunited and to help bring in 1940 a government into power—a Republican government—to begin overhauling the New Deal. Wall Street is already using this instrument quite extensively and will do so ever more as we come closer to the national elections. But it is not a political party. Hence American finance capital has to use different instrumentalities. What can they be under existing conditions?

For a while, it will be recalled, the reactionary monopolies had been toying with the idea of winning over the New Deal, hoping that the present administration would itself, under pressure from within and without, begin the process of overhauling. Had this game worked out, it is likely that the decisive sections of the reactionary monopolies would have chosen

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the *Democratic Party* as their political instrument for 1940. Conceivably, such hopes are still entertained in certain Wall Street circles. But the bulk of monopoly reaction has long since reached the conclusion that the time for such a maneuver had passed, to the great discomfort of General Hugh Johnson, *The New York Times* and similar Democrats. The prevailing idea in Wall Street today is that the Republican Party is their party for 1940, even if the Garner elements should secure control of the Democratic national convention next summer.

It was a sweet dream, while it lasted, to beat the New Deal and to open the road to pro-fascist reaction with the hands of New Dealers themselves, through the Democratic Party, similar to the use of German Social-Democratic leaders and bourgeois-reformist parties by German finance capital. But it proved to be a dream, because the democratic upsurge of the masses, actively participated in by labor, which supported and made possible the New Deal, was strong enough to effectively counteract the major efforts of reaction to transform the present administration into an instrument for its own destruction.

This is not to say that reaction has given up this hope. Not at all. Efforts of the monopolies to make the New Deal commit suicide continue today and will continue in the future. This is in part the meaning of the unceasing reactionary pressure upon the government from without and of the machinations of the Garner Democrats from within. But it is no longer done in the expectation that the Democratic Party might be the party to win for the monopolies in 1940. Perhaps Garner and his friends may still entertain such illusions, but not the decisive sections of finance capital. These have swung to the position that they can win the next national elections only with the Republican Party but that the Garner Democrats can be very helpful in achieving this result by intensifying their struggle against the Roosevelt Administration from within the Democratic Party.

Equally, it would seem, the decisive sections of monopoly capital are leaning towards the idea that the Republican Party would be most certain to win in 1940 with a candidate and platform championing "overhauling" and holding the threat of reaction (tearing the New Deal out by the roots) in the perspective, in case overhauling fails.

It is from this point of view that the cited Kilgore articles in the *Wall Street Journal* have great symptomatic significance. It is the kind of platform that is designed to compromise the differences in the ruling circles of the Republican Party; to satisfy Hoover and the *New York Herald Tribune,* Landon and Vandenberg, Dewey and Taft; to reconcile those who would pay lip-service to New Deal objectives while concentrating on denouncing its methods with those who want to denounce both objectives and methods. And, remembering the current rapprochement between Hoover and Dewey, it is safe to assume that this is occurring on a prospective platform very similar to the one outlined by Kilgore. Namely: the *first* line of Republican attack should be on New Deal methods, calling for a policy of complete over-

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hauling of all New Deal measures "in order" to save its objectives from "an explosion of reaction" which will destroy everything; but coupled with this, is the *second* line of attack that, if the overhauling fails for one reason or another to improve conditions, which undoubtedly it will, then the tearing up by the roots must come into play, the destruction of New Deal objectives and everything that goes with it.

It is necessary to remember, of course, that the reactionary monopolies will have no easy job to unite the Republican Party on this sort of double-edged platform and tactic. For one thing, the contradictions of economic and political interests which are reflected in the differences of opinion between the "overhaulers" and the "destroyers," have already proved serious enough to prevent the Republican delegation in Congress from developing any kind of "positive" program for which that party as whole would be willing to stand. This has been the case thus far. In addition, and most important, there is the wide margin of traditional Republican Party followers who are really progressive in the traditional sense, tending to a political position represented, for example, by LaGuardia. These certainly are not going to be easily fooled by a platform of overhauling which is backed up by a threat of reaction. All of which means that the progressive-New Deal camp has splendid opportunities for making effective use of these contradictions in the Republican Party, opportunities which are all too often neglected.

But it also means something else. It means that only a New Deal Democratic Party, a truly liberal and progressive one, can meet successfully such a double-edged Republican platform and defeat the candidate of that party in 1940. A Garner would obviously lead the Democratic Party to defeat. He will not get the support of the liberals, progressives and genuine New Dealers, without whom the Democratic Party cannot win. Hence the overhaulers and reactionaries, who are not yet supporting the Republican Party, will quite naturally and inevitably swing over to that party in 1940, since it will be the only one with a chance to win the national elections on that kind of a platform. Nor would a "dark horse" or any kind of a waverer have much of a chance on the Democratic Party ticket as against a Republican double-edged attack.

The issues of the 1940 elections are already shaping up. In simplest and broadest terms they are: shall the New Deal, as understood by the majority of the people, be continued, extended and improved as a way to progress, democracy and peace; or shall it be overhauled, emasculated and destroyed as a way to reaction, fascism and war? *These* are the two alternatives and not "overhauling or reaction," as the *Wall Street Journal* wants us to believe. The Democratic Party, following the Garners, can take the second alternative, the one taken by the Republican Party, and lose disgracefully. It can also take the first alternative, the one favored by the overwhelming majority of the people which make up the progressive-New Deal coalition. It is the alternative which calls for a consistent fight against the reactionary monopolies on

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a program of jobs, security, democracy and peace. A good fight for this program from now on will unite the democratic majority of the people as they were never united before. And this is the road to victory in 1940.

It becomes therefore necessary for the forces of the progressive-New Deal coalition, especially for the mass organizations of the workers, farmers and middle classes, to mobilize the most active support for the demands of the people. We know what these demands are. They are *jobs, security, democracy* and *peace*. And on this, two things are called for. One is active mass support for all those progressive measures which are championed by the Administration. The other is systematic struggle for the extension, improvement and further development of these measures and principles. This is necessary both in the fields of domestic and foreign policy—in the struggle for the social and national security of the American people. The progressive mass organizations should demonstrate their support for those amendments to the Social Security Act which would make the measure more useful to the masses, pressing forward at the same time for more inclusive and effective improvements, *especially on old-age pensions.*

The handling of this major issue, by the progressive forces, played upon most fraudulently by the Republican Party, can stand considerable improvement. Similarly with the issue of W.P.A. appropriations. While actively combating the attacks of the reactionaries upon President Roosevelt's recommendations, it is vital to mobilize the widest mass support for the Casey Bill (H.R. 6470), endorsed by labor and by the "Right to Work Congress," held in early June, upon the initiative of the Workers Alliance. So also in the crucial matter of breaking the log-jam in private investments and in credits to small business. President Roosevelt's speech to the Retailers' Federation lays down a number of sound policies on these questions, especially his stress on the need of augmenting the purchasing power of the masses.

But to achieve the objectives aimed at by these policies—jobs, decent incomes, security of employment—the masses and their progressive organizations have to press for a real national housing program, for the nationalization of the railroads, for the nationalization of the monopoly banks and munitions industries.

Here it must be pointed out that, while it may be helpful to consider *new approaches* to the solution of the log-jam in private investments (the sit-down strike of big capital), such as the Mead Bill for insuring credits to small and medium business or the Berle proposal to the National Economic Committee for the establishment of special credit banks—these cannot be *substitutes* for direct curtailment of the power of Big Business, which power is hampering recovery and feeding reaction and fascism.

And finally on just one matter of foreign policy. We must of course increase manifold the mass support for President Roosevelt's orientation in foreign affairs, his insistence upon collaboration with all non-aggressor forces to resist the fascist offensive. There was not enough of that support by far but there was still less of mass demand and struggle for making the

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President's orientation more effective, especially in the matter of imposing an embargo against Japan and of rendering help to the Chinese people.

These are *immediate* tasks. They are also paths to victory in 1940 because only in these struggles will the democratic majority of the people, strengthened by the initiatives of the working class, become sufficiently conscious and united to defeat reaction in the coming national elections.

For Norman Thomas, for example, the question is settled. He has it already figured out that the Democratic Party will nominate someone "scarcely to be distinguished from the Republican candidate" and that the Republican candidate "will probably be a reactionary, but a reactionary is not a fascist" (*Socialist Call,* May 27). The objective value of such "analyses" is just about zero. A reactionary is not necessarily a fascist but the victory of the Republican Party in 1940, that is, *in the present world situation,* would open the gateway to fascism; and he who, like Thomas, denies it, is helping to pave the road for fascism.

And as to the Democratic candidate, nobody can know today who that will be; but every true spokesman of the workers and progressives generally *should know* that it is to the best and most vital interests of the masses—of America—that that candidate should be such as will be able to unite and receive the support of the progressive-New Deal coalition. But that will not come by itself. It requires work and struggle—struggle for the *complete* program of the democratic front and the building of this front among the masses. Over-confidence at this moment will not be very helpful.

Incidentally, it would seem as though Norman Thomas is preparing to play in 1940 the role similar to the one he played in 1936 when he was helping Landon to defeat Roosevelt. Coughlin and Lemke, it will be recalled, did the same thing. It is to be expected that 1940 may see similar developments, although with variations, because Coughlin, Lemke and Thomas are still with us. Which only emphasizes the need of struggle for the line of the democratic front *among the masses.* It is this kind of struggle among the masses by their progressive organizations that will not only unite the progressive-New Deal coalition and, in the first place, labor itself, but will as a *by-product* counteract most effectively the reactionary anti-third term campaign which is designed to cheat the people of victory. It is to be observed, in this connection, that the mass demand for President Roosevelt to run for re-election is gaining significant momentum.

This being the general line-up of forces and issues, the full meaning of the activities of the fascist groups in the United States becomes clearer. The Nazi Bund, Moseley, Coughlin & Co. have no doubt plenty of lunatics among them, but it would be a grave error to dismiss them merely as the "lunatic fringe" of reaction. They are in fact reaction's *fascist auxiliaries and reserves.* The Republican Party high command, under the guidance of the reactionary monopolies, is already assigning definite functions for these auxiliaries and reserves which the latter are daily fulfilling as seen even from the very superficial investiga-

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tion of Moseley & Co. forced upon the Dies Committee. Their anti-Semitic campaign is no innocent pastime of a retired General and over-rich Wall Street magnate. It is preparation for 1940 along the lines of monopoly strategy (if you don't take overhauling, you will get an "explosion of grim reaction") a strategy to be realized in 1940 by the Republican Party as the major instrument, assisted by such auxiliaries and reserves of monopoly reaction as the Garner Democrats, the fascist groups which are beginning to consolidate and, in a more special way, by the Norman Thomases, the Lovestoneites and Trotskyites.

Again, therefore, the struggle for the democratic front among the masses, as a beginning of a development towards an anti-fascist people's front, is the central task of the labor movement and its progressive allies.

* * *

PUMP PRIMING a Hemisphere" is the misleading as well as intriguing title of a recent editorial in the *New York Herald Tribune* (June 5). In relatively short space it manages grossly to insult all Latin American peoples as malicious defaulters on their debts, forgetting that many of those debts (if not most) were *forced* upon these nations by Wall Street sharks in cahoots with reactionary native governments, and that most of these enforced loans were used, not for the welfare of the masses or the progress of their countries, but for the personal enrichment and power of Wall Street monopolies and native reactionary governing cliques. Above all most of those loans were used to retard the progress of our Southern neighbors and to enslave their peoples, economically, politically and culturally.

Furthermore, the *Herald Tribune* seeks to brand the Latin American peoples as confiscators and robbers of foreign property, aiming to incite Americans against the Roosevelt Administration for its alleged "failure to protect American interests abroad." In doing so, our "progressive-but-not-liberal" contemporary forgets again that the property in question is not exactly "foreign" and that none of the progressive governments in Latin America has so far confiscated any of those properties. They are developing policies of public and national ownership of certain key branches of national economy (oil, railroads) with due regard to the *capitalist interests* of foreign owners that may be involved. Which, by the way, was pointed out to the *Herald Tribune*, in the name of Chile, by its Consul General in the United States, Mr. Anibal Jara (Letter to Editor, June 6).

All of this is of particular interest because it helps to expose the fact that the Republican Party, despite its maneuvers to the contrary, is in reality opposed to President Roosevelt's Good Neighbor policy. Not only to its "methods" but to its objectives. For surely no one can honestly maintain that the present Administration has failed to protect American interests in Latin America, if one thinks of these interests in terms of the *good neighbor*. Conceivably, in terms of the bad neighbor, as understood by the American monopolies operating in Latin America (the oil trust, the banking monopolies, Bond and Share,

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United Fruit, etc.), whose policies were prevalent during the Harding-Coolidge-Hoover regimes—conceivably from that standpoint the present Administration may not always have given full protection. But, then, to have done so would have meant re-establishment of marine-rule, armed intervention and similar measures. Is that what the *Herald Tribune* wants? Perhaps. But that won't work now, not in the interests of the United States, though it may work for a brief moment to enlarge the profits and power of a few Wall Street monopolists. And for this, the American people have obviously no stomach.

On the contrary. To the extent that the masses here have demonstrated attitudes on the question, they unmistakably want the continuation of the good neighbor policy and its *more consistent* application. Labor wants that, and so do large numbers of farmers and middle class people. Moreover, even considerable groups of independent manufacturers and merchants have already found out, in terms of dollars and cents, that the good neighbor policy pays. In fact, it is becoming clearer every day that it is the only policy that, with the present relation of forces in the hemisphere and in the world, will pay the United States in terms of trade, economic recovery, democracy and peace. In other words, the good neighbor policy is not sheer altruism.

But this, of course, does not say all that has to be said now. The good neighbor policy, to be fully effective from the above standpoint, has to be further developed into a truly *democratic* and *anti-fascist* policy. This means not only formal respect for the national interests of our neighbors which, by the way, even this Administration, pressed by the reactionary monopolies, is not always observing in spirit, even though in letter. As was already discussed in these columns, it means readiness to collaborate *economically* in a new way, in a way that will not militate against the progress of our neighbors, but will help that progress. Because without their own national progress, economically, politically and culturally, there will be no prosperity for their masses; and without this, there will be little trade and still less opportunity for prosperity in the United States.

The *Herald Tribune* ridicules such idea as "pump priming a hemisphere." To which the answer is that pump priming a hemisphere for the prosperity of all its peoples might not be such a bad idea. It surely would be preferable to financing Hitler fascism, or Japan, or the Machado type of dictator in Latin America; and these are the things which Wall Street monopolies have been doing. But the question is really not one of pump priming the economy of our Southern neighbors in the same sense in which this phrase is used with respect to government action in the United States. The question is of advancing profitable loans on such conditions as will insure a satisfactory return to the investors *without* imposing upon the recipients of these loans the extra-legal domination of American monopolies in the *national* life of the Latin American countries. That is, transactions of *mutual* advantage to the national interests of both the United States and the countries of Latin America.

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Under the good neighbor policy, there is no alternative way of "exporting capital" to our Southern neighbors. And a realistic appreciation of present world conditions will show that there is now no other way at all short of financing the fascist axis for the conquest of Latin America. It is no accident that U.S. capital exports to Latin America have been hovering around the vanishing point since the outbreak of the crisis in 1929.

Which takes us to the broader problems involved. The *Herald Tribune* wants to be known, so it seems, as an opponent of the fascist axis. But how can such an attitude be reconciled with a bad neighbor policy in Latin America? It just can't be done. A consistent good neighbor policy in Latin America is a prime condition for a successful American peace policy in the world. A drastic and rapid improvement in the conditions of the masses on the small but important island of Puerto Rico would go a long way towards making the good neighbor policy more real in this hemisphere as well as towards strengthening the United States in its policies of resistance to fascist aggression.

It is in brief the major issue of democracy and progress versus reaction and fascism. It is the question of helping China and embargoing Japan; of incorporating into our foreign policy the distinction between aggressor and non-aggressor; of helping the Spanish republican refugees and of rousing world opinion to stop the bloody hand of the butcher Franco; of throwing the full moral support of the United States in favor of the peace policies so effectively championed by the Soviet Union against Munichism and the Munichеers.

Comrade Molotov's recent speech before the Supreme Soviet, which *The New York Times* did not like so well, has already proven a most potent act for good neighborliness and mutual assistance of non-aggressors to resist aggression. The United States, as stressed so often by Comrade Browder, can do a whole lot to promote such policies in the world, and thus also make more effective its good neighbor policy in this hemisphere. The people of this country are becoming increasingly more ready to support the government in a policy of collaboration with the Soviet Union. The beautiful Soviet Pavilion at the World's Fair in New York, which displays admirably the new life of the socialist country, is doing its full share in promoting good neighborly relations and peace collaboration of the U.S. and the U.S.S.R., thus working for good neighborliness and peace everywhere. The majority of the American people are appreciating this fast. And it was this appreciation which President Roosevelt undoubtedly expressed when, in reply to the greetings of the new Soviet Ambassador, Constantin A. Oumansky, he said:

> "I have noted your statement that the purpose of your mission is to strengthen and develop friendly cooperation between our two countries. You may be sure that you will enjoy my full support, as well as every assistance of the government of the United States in your efforts to achieve that purpose."

This exchange of greetings is tremendously helpful to the good neigh-

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bor policy of the United States in this hemisphere and creates more favorable opportunities for effective cooperation between the two countries for world peace. It is an event which the progressive forces in this country will do well to make full use of to advance the democratic cause of the American people all along the line.

* * *

THE idea of an international labor conference to bring about unity of working class action for peace and democracy has been steadily gaining ground in several European countries. The French trade union movement has gone on record in favor of it some time ago. More recently, prominent Norwegian trade union leaders and important organizations have done likewise. And among the masses of workers generally, the demand for such a conference is growing everywhere.

In the United States, not much has been done as yet to popularize this important *movement* for a world labor conference. For it cannot be disputed that, despite the continued opposition of the reactionary leaders of the International Federation of Trade Unions to the proposal for a world labor conference, a movement is already on foot to realize this objective. Ever larger numbers of workers and progressive trade union leaders are beginning to enter actively the struggle to realize united working class action on an international scale.

Some of the opponents of united international labor action (and these invariably are also opponents of labor unity in their own countries) present the strange argument that international action against fascist aggression should be left to the non-aggressor democratic governments. But this is clearly a subterfuge. For everybody knows by this time that it was only to the extent that the world labor movement and its progressive allies have been actively supporting the peace policies and proposals of the Soviet Union that the bourgeois-democratic governments, especially in France and England, felt compelled to undertake negotiations for a common peace front. Everybody knows furthermore, or should know, that *Munichism* is the major guiding policy of the reactionary circles of the bourgeoisie in all capitalist countries and that therefore constant struggle is required, nationally and internationally, by united working class action to combat daily the unceasing conspiracies of the Munichers, without which struggle the fascist offensive cannot be defeated.

The American labor movement can play a major role to help bring about a world labor conference. Just as the people of the United States are coming to the realization that this nation can and should play a leading part in the struggle for world peace, so the working class of this country is beginning to face its tasks in the struggle for united labor action on a world scale. It is the urgent duty of all progressive and unity forces to promote this understanding and appropriate action by all means at their command. A world labor conference for peace and democracy will prove a most potent instrument for the promotion of world peace to which objective the majority of the American people are ardently devoted.

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The need is evidently for a widespread and intense campaign of education in all working class organizations, especially the trade unions, in favor of the movement for a world labor conference. Every alert and active working man and working woman can and should become a champion of this proposal among the masses and in the trade unions.

Is this an impossible task? No, it is not. The idea of united world action against fascist aggression is much more popular among the masses than many of us suspect. The American working class is considerably more internationally minded than some timid souls would have us believe. What is needed to bring this fact to effective expression is initiative and leadership.

An intensive campaign for a world labor conference will have a most beneficial effect upon the struggle for trade union unity in the United States. It is generally agreed that this requires now a resumption of negotiations between the A. F. of L. and the C.I.O., and that this can be brought about by organized mass demands from the ranks and organizations of the A. F. of L., on the one hand, and by a fresh unity initiative on the part of the C.I.O., on the other. A campaign for a world labor conference among the laboring masses at this time will undoubtedly strengthen all forces in the American labor movement fighting for trade union unity in this country. It will also tend to reinforce the unity efforts of the Latin American Confederation of Labor, consolidating and broadening the trade union unity in the Latin American countries, counteracting effectively the splitting maneuvers of the reactionaries to revive the dead and unlamented Pan-American Federation of Labor.

Forward to the campaign for a world labor conference!

* * *

As THE Communist Party organizations are beginning to put into effect the decisions of the May meeting of the Party's National Committee, they are naturally facing and tackling those "unsolved problems" of which Comrade Browder spoke in his report. Chief of these is the complex problem of the Party branch, its functions, organization methods. And the point around which this problem sharpens up is the need of overcoming the reduced rate of membership recruiting, and improvement of dues collections.

But what is it that has been "unsolved"? In a general way, it is the problem of *adjusting* the functions, forms of organized activity and methods of work of the Party branches to the *new tasks* and to the new relationship of the Party to the mass movements.

Specifically, what is the major task of a Party branch today, in the present period? It is to educate and help organize the people in its community, the workers in the first instance, for such actions and struggles as will promote the building of the democratic front locally and nationally. This is clear. It is also clear that this general task resolves itself into a number of *specific* activities and specific *functions,* not of a passing character but rather of a relatively permanent and long range nature. These are activities and functions which arise from the

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immediate needs of the masses and from their current struggles and movements. And these can be listed as follows:

Housing. The people in every community are concerned with the problem of housing and rents. This has become a national issue of major importance precisely because the toiling masses in every community feel it as an acute problem. A Party branch has therefore certain functions to perform, functions of long range, to help the struggle of the people in its community for better housing. The problem is how best to organize *the members of the branch* for the fulfilment of this function.

Similarly with *health; child welfare and schools; unemployment, relief, and general welfare; civil liberties, citizenship and legislative actions; culture and education.* There may be other fields of activities arising from special conditions of particular communities. For example, rural communities present certain modifications. There the question of farm relief occupies a major place, and the struggle for *democratizing* the administration of the government's agrarian policies, and the question of better roads and sanitation and many more specific needs which will determine the long range specific functions of a Party branch in a rural or farm community. Another example is offered by the one-industry town; still another by the small town generally. Here other modifications of functions will occur. *But everywhere a good branch of the Party will find that it is engaging in certain specific actions which group themselves into permanent long range functions.*

These functions are the key to the unsolved problems of branch organization. It also defines the problem. How shall the *membership* of each branch be organized to carry out most successfully these functions? Once we begin to think in this connection in terms of branch *membership* and branch *specific functions,* instead of merely of the branch and its role in general or of the branch in the abstract, we can at once begin to see a line of solution of our problem.

As follows: Party members *within* each branch would have to be organized into definite permanent groups for the fulfilment of one or more specific branch functions. These groups may be conceived as *commissions* into which the membership of a branch divides itself in accordance with each member's inclinations, proclivities and experience. Each commission is responsible for a particular function or field of activity, specializing in it, so to speak. The officer, or officers, of these commissions together with the branch secretary would make up the executive of the branch, with the general branch meeting functioning as the highest governing body of the organization. *Thus the branch as a whole would be a living organism integrated of functional commissions, and each member of the branch would be integrated into the branch through these active functional commissions.* A Party branch thus organized, and functioning among the broadest masses, as these tasks inevitably demand, working in closest relationship with progressive organizations in the community, and contributing constructively to the solution of the people's needs,

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such a branch could not but present the most attractive appeal to the toiling masses of the community.

The foregoing is presented, of course, not as blueprint or final plan. Rather *it is suggested as a line of exploration and investigation.* Many obvious angles and problems have not been touched here at all, such as special branch organs for Party education, agitation and propaganda, etc. The purpose here was mainly to bring forth the idea of the functional and commission form of branch membership organization as a possible way of adjusting the basic Party organizations to the new tasks.

A. B.

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BENJAMIN FRANKLIN—CHAMPION OF DEMOCRACY

BY CARL REEVE

ONE HUNDRED and sixty-three years ago this July Fourth our revolutionary forefathers gathered in Philadelphia and signed the Declaration of Independence, which signalized the birth of a new nation. The two outstanding names signed to this immortal document, which proclaimed the freedom of the United States from England's tyrannical rule, were those of Benjamin Franklin and Thomas Jefferson, close friends and co-workers of the outstanding revolutionists of their day.

In 1778 Baron Turgot, the French Controller-General of Finance, said of Benjamin Franklin: "He snatched the lightning from the sky and the sceptre from tyrants."

The signature of Benjamin Franklin to the Declaration of Independence symbolized the fact that America's most famous citizen, a world-renowned scientist, publicist and democrat, had dedicated all his great genius to the founding of the new American nation.

THE MEANING OF FRANKLIN TO US TODAY

Today the democratic ideals to which Franklin dedicated his life are endangered by the economic royalists, reactionaries and fascists. Franklin was so far ahead of his day that much of his writings are a shattering refutation of the General Moseleys, the Garners, Hoovers and Dieses, who are trying to destroy those democratic rights of the people proclaimed by Franklin and Jefferson in 1776.

It is the task of the Communist Party and all true democrats on this anniversary of the signing of the Declaration of Independence to expose those fascists who are trying to picture Franklin as an anti-Semite, as a man of Big Business. We must tear the mask from Herbert Hoover, who presumes to expound his reactionary policies in the name of Benjamin Franklin.

When Franklin signed the Declaration of Independence he was already seventy years old. He was the best known American in the whole world of that day. He had made great contributions to science, especially in the field of electricity, and was a member of the British Royal Academy, the French Academy of Sciences, and of many historical and scientific societies throughout the world. In the field of political economy he had made outstanding contributions when still a very young man.

Franklin's advocacy of full democratic and civil rights for all of the

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people stands today as an effective answer to the treacherous General Moseley who openly attacks our American democracy and advocates the adoption of Hitlerism in the United States. Franklin's insistence on complete religious and racial equality serves today as the answer to the Jew-baiting Coughlinites. Those "pacifists" who are now playing the reactionary game by proposing non-resistance to fascist aggressions should learn from Franklin's life how an American revolutionary forefather defended the freedom of our country. The isolationists who wish to prevent any alliances of the United States with other democracies against fascist war-makers are forced to distort history and make us forget that the Revolution was won and the United States founded only because an alliance was secured under Franklin's leadership between the United States and France. Franklin was a true internationalist. He encouraged democracy in all lands.

It was not accidental that Franklin, of all the Revolutionary Fathers, was closest to Thomas Jefferson. Franklin drew the line between himself and such enemies of democratic rights for the people as Alexander Hamilton. On the other hand, Franklin introduced the revolutionary Thomas Paine to America, and when the latter left these shores in 1787 to give support to the rising revolutionary movement in France, he was armed with letters of introduction from Franklin to all his friends.

Franklin fought strenuously against the economic royalists of his day. This is the significance of his life for us. His principles of broad democracy, proclaimed at the beginnings of the United States, the new bourgeois republic, in the interests of the small farmers, tradesmen and artisans, are the principles championed by the Communists together with all true Americans today to protect our American democracy, our workers, small farmers and middle classes from the reactionary suppressions of the fascist-minded economic royalists. Franklin was the world spokesman and symbol of the democratic republic, the foe of monarchy. The revolution in France that overthrew feudalism drew inspiration from Franklin.

FRANKLIN AS A LEADER OF THE REVOLUTIONARY WAR

Franklin began life as a worker. His first job was as a printer's apprentice in his native Boston. He ran away to Philadelphia when he was a boy, and after working there for some years as a printer he established a shop of his own. Franklin was a publisher and a merchant, and had acquired a comfortable fortune, before retiring from business, to devote himself to public life. As the agent of the Colonies in England before the Revolution he stubbornly and zealously fought for the rights and interests of the other sections of the pupulation in America as well as the merchants, in order to free them from foreign monarchical oppression and to allow their unhindered development. Like Jefferson, he recognized the great role the small, self-sustaining farmers of America played in the new country, where land was plentiful and available, and the frontier was just beginning its westward march. He fought against all taxes which might hinder the

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development of American trade. He looked with favor on the development of American manufacture. Abreast of Jefferson and Samuel Adams, Franklin publicly recognized in 1775 that only independence and freedom from the exploiting yoke of the British ruling classes would allow the free development of all classes in the American Colonies.

Franklin not only brought the most illustrious contemporary name in the world to the struggle for independence from British tyranny, but he was one of the chief practical organizers of the War for Independence, not only in Pennsylvania, but nationally. He returned from a long stay in England, where he was agent for the American Colonies, in the spring of 1775, after having been all but thrown out of that country following his stubborn fight against the oppressive measures of the British government.

Arriving in Philadelphia on May 5, he heard of the Battles of Lexington and Concord. The next day the Pennsylvania Assembly chose him as a delegate to the Second Continental Congress about to open in Philadelphia. At this Congress he was elected president, and immediately plunged into the preparations of the Revolutionary War.

The genius of Franklin was strikingly illustrated during the year and a half in which he was engrossed in the work of organizing the Revolutionary War. He demonstrated during this period of his life that he was no mere epigram-maker, but with great adaptability he became overnight one of the chief organizers of the Revolution. At the age of seventy he discarded with ease his role of spokesman for the Colonies in England and of diplomat. He worked twenty hours a day, carrying into action the words of the Declaration of Independence, and preparing the armed forces of the Colonies. Today's pacifists should study this period of Franklin's life and remember how our democratic republic was founded.

Franklin was elected president of the Pennsylvania Committee of Safety, which had in its hands the actual organization of the Revolution, the military defense of Philadelphia, the seat of the Continental Congress, and of all Pennsylvania. Under his guidance thirteen boats were armed and a blockade was put across the harbor to keep out enemy ships.

The Continental Congress appointed Franklin to the committee to devise ways and means of protecting the foreign trade of the Colonies. One of the main tasks of this committee was the maintenance of a boycott which was embodied in the non-importation agreements against Great Britain. The committee was also assigned the duty of importing munitions.

Among Franklin's other activities for the American Revolution was the reorganization of the entire postal system of the Colonies (he had been appointed Postmaster General by the Congress); the promotion of the manufacture of materials for gunpowder in the Colonies; participation in a committee for the printing of paper money; responsibility for the Committee of Secret Correspondence with foreign countries, a committee set up by the Congress which was a forerunner of the Department of State of the new nation. In addition he organized the Pennsylvania militia, ob-

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tained medicine for the troops, and sat on the Council of the Continental Congress with Washington in Cambridge, which Council revised the articles of war and reorganized the Army.

It was Franklin who whipped the Pennsylvania delegation into line to vote in favor of the Declaration of Independence. He turned minority into majority and made possible approval of the Declaration by the State of Pennsylvania. He had served, together with John Adams and Thomas Jefferson, on the Congress Committee responsible for formulating the Declaration. When the Congress convened, only he and John Morton, of the five Pennsylvania delegates, favored independence. On July 2 Robert Morris and John Dickinson were induced to remain absent, and James Wilson joined Franklin and Morton in giving the Pennsylvania vote in behalf of the independence of the Colonies.

PREPARING THE GROUND FOR REVOLUTION

Just as in the case of Thomas Jefferson and Samuel and John Adams in Boston, Franklin had not made any public declaration in favor of independence prior to his return to America in 1775. The first Continental Congress, which met while Franklin was in England, while vigorously defining the rights of the Colonies and their assemblies, and refusing to accede to Britain's oppressive laws, did not advocate independence. Only a minority favored it. The Congress asked for equal rights for the Colonists as British citizens, and for an end to their exploitation.

Franklin had, however, already spent many years of his life fighting in England and in the Colonies for the rights of the Colonial Assemblies. These years prepared the ground for the founding of the new nation. Franklin's first bitter struggle with the British government was the fight waged for the rights of the Pennsylvania Assembly as opposed to the domination of the great landed proprietors, in this case the heirs of William Penn. They had ceased to be Quakers and, like feudal lords, sought to exploit Pennsylvania's inhabitants, squeezing out as much rent and other tributes as possible. They speculated in Pennsylvania land, and, disregarding the rights of the Colonies, violated the Pennsylvania Constitution and ignored the decisions of the Pennsylvania Assembly.

Franklin arrived in London in July, 1757, at the age of 51. He presented a petition to the British monarchy on behalf of the Pennsylvania Assembly, demanding that the proprietors must submit to the laws and to taxation by the Assembly, and must contribute to the cost of the provincial government. Until the time of the Revolution itself he got no satisfaction, the British government upholding the landed proprietors. In 1765 he returned to England to oppose the Stamp Act on behalf of the American Colonies. Meanwhile he had been the first to advocate a union of the separate Colonies.

Franklin made his famous appearance before the bar of the House of Commons in February, 1766, where he acted as the tribune of the American people, announcing to the whole world the position of the American Colonists, proclaiming the rights of

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the Colonial Assemblies, stating that Parliament had no right to place an internal tax on the Colonies, but that only their own Assemblies had that right, and that the Colonies would refuse to obey the Stamp Act.

Franklin was not a mere diplomat. He was champion of the people. His most effective weapon in his fight for the rights of the American Colonies was his appeal, over the head of the British government, directly to the peoples of England and Europe. His biting, satirical writings drew the sympathies of the masses to the Colonists who were willing to fight for the right to govern themselves, while at the same time arousing the fear of the British Crown.

A master agitator, Franklin created a sensation throughout all Europe by his testimony before the British House of Commons:

"Do you not think the people of America would consent to pay the Stamp duty if it were moderated?" he was asked.

"No! Never, unless compelled by force of arms," Franklin replied.

"What do you think a sufficient military force to protect the distribution of the stamps in every part of America?"

"A very great force, I can't say what if the disposition of America is for general resistance."

"If the Stamp Act should be repealed would it induce the assemblies of America to acknowledge the rights of Parliament to tax them, and would they erase their resolutions?"

"No! Never!" Franklin answered. He frankly stated that the Colonies would continue to boycott British goods and would make their own commodities.*

In the years preceding the Revolution Franklin stood head and shoulders above the other leaders of the American Colonists in prestige and reputation. At this time Jefferson was a young man at the very beginning of his career.

The Stamp Act was finally repealed, but the conflicting interests of the Colonies and the British government were developing into an unhealable breach. A new nation was growing up in America. The British Crown and Parliament, representing the ruling classes of England, wanted to maintain the Colonies as a source of raw materials, as a means of income through taxation and exploitation. It was to their interests to tax the Colonies in order to remove the burden of taxation from the shoulders of their own ruling classes. They used every means possible to maintain their monopolies of trade with the Colonies and to confine American trade to Britain. The rising commercial activity of America was beginning to compete with England's.

For the same reason the British government restricted the rights of the Colonies to develop their own manufacturing enterprises. The Southern landowners were overburdened with heavy debts to England. The years previous to the Declaration of Independence were years of sharp conflict between the economic interests of the growing Colonies, whose population, Franklin pointed out, was doubling every twenty-five years, and the economic interests of the British landowners, mercantile capitalists, merchants and manufacturers.

At every step Franklin mobilized world opinion with his widely-read articles. He protested against the series of new taxes on tea and many

* John Bigelow, *Life of Franklin*, Vol. I, p. 469.

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other articles sold in America, and against the restrictions of the rights of the Colonial Assemblies. He demanded a repeal of the Act of Parliament which prohibited the issue of paper money in the Colonies, and the establishment of an American currency. He represented the Colonies in Massachusetts in protesting the closing of the Port of Boston following the Boston Tea Party, and other infringements on the rights of the people of Massachusetts, including the occupation of Boston by the British troops.

Finally the British government decided to drive Franklin out of England, and used as a pretext a hearing in Parliament on the petition of Franklin on behalf of the Colony of Massachusetts for the dismissal of Governor Hutchinson. Franklin was summoned in order to be denounced in a virtual trial, and was heaped with slander and vituperation. His very life was in danger. Hutchinson's repressions were upheld, and Franklin was dismissed by the British government from his post as American Postmaster General, to which position he was again appointed by the Continental Congress during the fight for independence. The remainder of his stay in England was devoted to appealing to the British public and the public of Europe with a series of brilliant publications on the position of the Colonies, over the heads of the British government. He maintained no more relations with the British Ministry.

Franklin's revolutionary fervor flamed high. He returned to America to find a virtual state of war existing between the two countries. In a letter to James Bowdoin on February 25, 1775, he said:

"The eyes of all Christendom are now upon us, and our honor as a people is become a matter of the utmost consequence to be taken care of. If we tamely give up our rights in this contest, a century to come will not restore us in the opinion of the world; we shall be stamped with the character of dastards, poltroons, and fools, and be despised and trampled upon, not by this haughty, insolent nation only, but by all mankind. Present inconveniences are therefore to be borne with fortitude, and better times expected." *

FRANKLIN'S FOREIGN POLICY

How can present-day isolationists justify their opposition to concerted action with other democratic countries to preserve democracy in the light of the precedents set by the founders of our country? It would have been impossible to achieve independence without the aid of France and other European countries. Six months before the Declaration of Independence was signed Franklin secretly made contact with the French government as the head of the Secret Committee of Correspondence set up by Congress, and the French sent a secret agent to Philadelphia to confer with him. This culminated in a treaty of amity and commerce with France under the terms of which that country was to aid the United States to secure its independence, and the United States was to make common cause with France if war should be declared between France and Great Britain.

Franklin clearly stated the foreign policy of the new nation in a letter to his Dutch friend John Ingenhousz:

"It would therefore be deceiving you, if I suffered you to remain in the supposition you

* *Ibid.*, Vol. II, p. 249.

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have taken up that I am come to Europe to make peace. I am, in fact, ordered hither by the Congress for a very different purpose, *viz.*, to procure those aids from European powers, for enabling us to defend our freedom and independence, which it is certainly their interest to grant; as by that means the great and rapidly growing trade of America will be open to them all, and not a monopoly to Great Britain, as heretofore. . . ." *

It was agreed that after the independence of the United States was won, no separate peace should be concluded.

With the help of this alliance with France, brought about by Franklin, the United States won its independence. French troops at Yorktown and elsewhere, French money and French guns and ships played a decisive part in the American Revolution. Money was also obtained from Spain and Holland, and throughout Europe wide support was given by the people to the Revolution.

The leaders of the revolutionary struggle against British tyranny made effective use of the boycott tactic. In his stand in England for the Colonies, before the war, Franklin strongly urged a wide boycott as a weapon:

"All who know well the state of things here agree that if the non-consumption agreement should become general and be firmly adhered to, this ministry must be ruined." **

Thus, it is thrown into strong relief that the weapon of the boycott was forged in the fire of the growing American Revolution. Today the fascists and reactionaries, in order to promote the aggressions of fascist powers against the democracies, and in order to clear the road for fascism within our country, use the argument for isolation and against the boycotting of the fascist aggressors. Those who are taken in by this pro-fascist propaganda, and who reject the weapon of boycotting fascist aggressors, should note well that they are repudiating those very principles which helped to found the United States.

FRANKLIN SUPPORTED THE FRENCH REVOLUTION

Franklin's belief in liberty for the people was by no means confined to his interest in independence for the Colonies. In this connection he was deeply attentive to the influence of the American Revolution on Europe. In a letter to Samuel Cooper from Paris, on May 1, 1777, he spoke of the close tie of the people of Europe with the American Revolution:

"All Europe is on our side of the question as far as applause and good wishes can carry them. Those who live under arbitrary power do nevertheless approve of liberty, and wish for it: they almost despair of recovering it in Europe; they read the translations of our separate colony constitutions with rapture; and there are much numbers everywhere who talk of removing to America, with their families and fortunes, as soon as peace and our independence shall be established, that it is generally believed we shall have a prodigious addition of strength, wealth and arts, from the emigrations of Europe; and it is thought, that, to lessen or prevent such emigrations, the tyrannies established there must relax, and allow more liberty to their people. Hence it is common observation here, that our cause is *the cause of all mankind*, and that we are fighting for their liberty in defending our own. It is a glorious task assigned us by Providence; which has, I trust, given us spirit and virtue equal to it, and will at last crown it with success." *

* *Ibid.*, Vol. II, p. 381.

** Carl Van Doren, *Benjamin Franklin*, p. 485.

* Bigelow, *Cited Work*, Vol. II, p. 392.

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Franklin welcomed the French Revolution of 1789. We find him writing:

"The Convulsions in France are attended with some disagreeable circumstance; but if by the struggle she obtains and secures for her nation its future liberty, and a good constitution, a few years' enjoyment of those blessings will amply repay all the damages their acquisition may have occasioned. God grant that not only the love of liberty but a thorough knowledge of the rights of man may pervade all the nations of the earth, so that a philosopher may set his foot anywhere on its surface and say: 'This is my country.'" *

We see from this that Franklin was a true internationalist. He hailed a social transformation which brought into being a more democratic and a more progressive form of society, no matter in what part of the globe it appeared, recognizing that it advanced the cause of the people of the whole world. Such a sentiment, expressed one hundred and sixty years ago by the leading American patriot of his day, puts to shame and shows up as un-American those who attack and slander the new socialist society of the Soviet Union, which, like the American and French revolutions of their day, inspires us with the example of the highest form of democracy in existence. Just as Franklin did honor to the French and American revolutions, so today does all progressive humanity draw inspiration from the example of the new socialist society where unemployment and poverty have been eliminated—a new society which leads the world struggle for peace, democracy and socialism.

Towards the close of his life, on November 5, 1789, Franklin wrote to Samuel Moore:

"I hope the fire of liberty, which you mention as spreading itself over Europe, will act upon the inestimable rights of man, as common fire does upon gold; purify without destroying them; so that a lover of liberty may find a country in any part of Christendom."*

ON RELIGIOUS TOLERANCE AND CIVIL RIGHTS

The fascists of today, by a brazen and clumsy forgery, attempt to make the people of the United States believe that Franklin was an anti-Semite. This allegation has been definitely laid bare as a tissue of falsehood by the Franklin Institute which disproved the existence of the supposed Pinckney diary. Actually Franklin contributed financially to the Hebrew Society of Philadelphia and signed its appeal for funds. Many of Franklin's letters bear glorious testimony to his insistence upon religious tolerance and racial equality. Franklin and Jefferson built into the foundation of the country the principles of racial and religious tolerance and freedom. In 1776 Franklin had already answered the fascist anti-Semitic propaganda of the present day.

In a letter to Ezra Stiles written in 1790, Franklin thus reiterated his principle of religious tolerance which he had so often emphasized:

"I have ever let others enjoy their religious sentiments, without reflecting on them for those that appeared to me unsupportable or even absurd. All sects here, and we have a great variety, have experienced my good will in assisting them with subscriptions for building their new places of worship; and, as I have never opposed any of their doctrines,

* *Ibid.*, Vol. III, p. 450.

* *Ibid.*, Vol. III, p. 446.

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I hope to go out of the world in peace with them all."*

FRANKLIN AS CHAMPION OF DEMOCRACY

The winning of independence and the founding of a new nation meant to Franklin the establishment of a democratic republic with extension of wide civil rights to all the people. It is as champion of democracy for the masses that Franklin bears the greatest significance for us today. And it was here that he came into conflict with the more conservative wing of the Revolutionary forces, led by Hamilton. Franklin differed fundamentally from Hamilton and the Federalists. He recognized that the small farmers, artisans, workmen, etc., had been the staunchest fighters in the Revolution, and he spoke out in their interest. Franklin was a man past seventy; Thomas Jefferson was a young man. Yet these two, of all the Revolutionary Fathers, were closest in their aims and were under fire by less democratic-minded men.

In the Constitutional Convention when Franklin spoke, he called for more democracy and for extending the rights of the people. Madison's authoritative minutes of the Constitutional Convention quote Franklin's written speech on the question of freedom of suffrage which many wished to extend only to freeholders, as follows:

"It is of great consequence that we should not depress the virtue and public spirit of our common people; of which they displayed a great deal during the war, and which contributed principally to the favorable issue of it."

In these days of attacks on foreign-born workers by reactionaries, of anti-alien registration laws and concentration camp bills, it is pertinent to read what Franklin had to say. He opposed stringent restrictions on citizenship requirements in the Constitution and proposed a liberal policy in connection with allowing immigrants to become citizens.

"In every other country in Europe all the people are our friends. We found in the course of the Revolution that many strangers served us faithfully and that many natives took part against their country." *

The economic royalists of today seek to undermine the people's democratic rights by attempting to disfranchise whole sections of the working class. The recent session of the Pennsylvania State Senate even passed a bill which would have disfranchised hundreds of thousands in Pennsylvania by providing that only tax-payers could vote. In the South masses of the Negroes have been refused their constitutional right to vote since Reconstruction days. This infringement upon the democratic rights of Americans is in direct violation of the principles advocated by Franklin at the Constitutional Convention. He opposed any property qualification, either on candidates or on the voters. "He expressed his dislike of everything that tended to debase the spirit of the common people. . . . He pointed out the bad effect on the people of Europe if any qualifications favoring the rich were put into the Constitution."**

* *Ibid.*, Vol. III, p. 461.

* James Madison, *The Debates in the Federal Convention of 1787 Which Framed the Constitution of the U.S.A.*, Oxford University Press, p. 368.

** *Ibid.*, p. 374.

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Madison further quotes Franklin's attack on the British statutes which, Franklin said, were arbitrary, and which narrowed the right of suffrage to persons having freeholds of a certain value, using as the pretext for this disfranchisement of non-property holders the argument that there was danger of tumult and disorder; Franklin told the Convention that these British statutes were the opening wedge for other oppressive measures by the British Parliament against the poor.

Franklin was far ahead of his time in his position on the question of slavery. He understood the evil of slavery and saw that its abolition was essential to the development of the United States. His was not a passive, academic attitude. He wrote articles denouncing the "diabolical" slave trade and advocating the emancipation and education of the slaves. How actively interested he was in this question is evident from the fact that he was President of the Pennsylvania Society for the Abolition of Slavery.

The principles of broad democratic rights which Franklin always advocated he succeeded in embodying into the new Constitution of Pennsylvania.

Tom Paine, writing from France his series of articles, "The Rights of Man," which inspired the people of France and Europe generally in their struggle against monarchy, gave the example of the Constitution of Pennsylvania, drawn up in 1776, under Franklin's direction, as the ideal democratic method of drawing up a democratic constitution. Franklin played a decisive role in making this constitution, drawn up to replace the constitution based on old British charters and law. In the drafting of this new constitution, Franklin was opposed by the reactionary proprietary party in the old Pennsylvania Assembly.

This constitution laid down a declaration of rights and contained two provisions which Franklin had long advocated: one, an executive council instead of a governor, and two, a legislature with a single chamber.

Thus, the constitution born at the hands of Franklin became the model which Thomas Paine presented to the people of Europe.

FRANKLIN—A FORERUNNER OF MARX

One of Franklin's most significant contributions to science is his analysis of exchange value, in which he was a forerunner of Karl Marx.

Marx declares in *A Contribution to the Critique of Political Economy:*

> "The first sensible analysis of exchange value as labor time, made so clear as to seem almost commonplace, is to be found in the work of a man of the New World where the bourgeois relations of production imported together with their representatives sprouted rapidly in a soil which made up its lack of historical traditions with a surplus of humus. That man was Benjamin Franklin, who formulated the fundamental law of modern political economy in his first work which he wrote when a mere youth and published in 1721." *

Thus, Franklin, first in so many things, was a pioneer in presenting labor time as determining exchange value. Franklin said that it was necessary to look for another measure of value rather than precious metal and that that measure is labor. In his article "A Modest Inquiry into the

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*Karl Marx, *A Contribution to the Critique of Political Economy*, Kerr edition, p. 62.

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Nature and Necessity of a Paper Currency" (quoted by Marx) Franklin declared:

"By labor may the value of silver be measured as well as other things. As, suppose one man employed to raise corn, while another is digging and refining silver; at the year's end, or at any other period of time, the complete produce of corn, and that of silver, are the natural price of each other; and if one be twenty bushels, and the other twenty ounces, then an ounce of that silver is worth the labor of raising a bushel of that corn. Now if by the discovery of some nearer, more easy or plentiful mines, a man may get forty ounces of silver as easily as formerly he did twenty, and the same labor is still required to raise twenty bushels of corn, then two ounces of silver will be worth no more than the same labor of raising one bushel of corn, and that bushel of corn will be as cheap at two ounces, as it was before at one, *ceteris paribus*. Thus the riches of a country are to be valued by the quantity of labor its inhabitants are able to purchase."*

Marx comments:

"Thus Franklin regards labor-time from the one-sided economic point of view, as the measure of value. The transformation of actual products into exchange values is self-evident with him and the only question is as to finding a quantitative measure of value."**

Franklin continues (quoted by Marx):

"Trade in general being nothing else but the exchange of labor for labor, the value of all things is, as I have said before, most justly measured by labor."***

Marx summarizes:

"Substitute the word 'work' for 'labor' in the above statement, and the confusion of labor in one form and labor in another form becomes at once apparent. Since trade consists, *e.g.*, in the exchange of the respective labors of the shoemaker, miner, spinner, painter, etc., does it follow that the value of shoes is most justly measured by the work of a painter? On the contrary, Franklin meant that the value of shoes, mining products, yarn, paintings, etc., is determined by abstract labor which possesses no particular qualities and can, therefore, be measured only quantitatively." *

Marx, of course, shows the limitations of Franklin's analysis, notwithstanding the contribution it made:

"But since he does not develop the idea that labor contained in exchange value is abstract universal labor which assumes the form of social labor as a result of the universal alienation of the products of individual labor, he necessarily fails to recognize in money the direct embodiment of this alienated labor. For that reason he sees no inner connection between money and labor which creates exchange value, and considers money merely as an instrument introduced from outside into the sphere of exchange for purposes of technical convenience." **

It is especially significant that Franklin, one of the outstanding Revolutionary Forefathers, a signer of the Declaration of Independence, was a pioneer in formulating a theory of exchange value which contained a basic element of the Marxian theory of value. Let those who attack the Communists of today as "un-American" ponder over this significant fact. Although Franklin did not draw the full implications of the labor theory of value, its class significance was apparent even at that time. This is evident from Franklin's comment in his autobiography on the above article quoted by Marx: "It was well received by

* *Ibid.*, pp. 62, 63.
** *Ibid.*, p. 63.
*** *Ibid.*

* *Ibid.*
** *Ibid.*, pp. 63-64.

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the common people in general; but the rich men disliked it." *

In understanding that government is a process and that property rights are not sacred or unchangeable, Franklin also anticipated, though still in a utopian way, the struggle against capitalism. He said:

"All the property that is necessary to a man, for the conservation of the individual and propagation of the species is his natural right, which none can justly deprive him of; but all property superfluous to such purposes is the property of the public, who, by their laws, have created it, and who may therefore by other laws dispose of it whenever the welfare of the public shall demand such disposition."**

Scientist, patriot, diplomat, philosopher, economist—Benjamin Franklin was a man whose greatness illumined the ages.

Upon his death, Thomas Jefferson said of him:

"We have reason to be thankful he was so long spared; that the most useful life should be the longest also; that it was protracted so far beyond the ordinary span allotted to man as to avail us of his wisdom in the establishment of our own freedom, and to bless him with a view of its dawn in the east, where they seemed, till now, to have learned everything, but how to be free."

Franklin's last letter was written on April 8, 1790, to Thomas Jefferson, while he was on his deathbed. He died nine days later at the age of 84, mourned by the peoples of the world. To the peoples of the world today, fighting for freedom from oppression, and especially to today's progressive Americans, working and struggling to retain and to extend the democracy and civil rights Franklin played so great a role in achieving, to the American people of today in struggle against the tories of today, Benjamin Franklin's life is an undying inspiration.

* It is significant that Carl Van Doren's voluminous *Benjamin Franklin,* although showing that extensive research was carried out by the author, nowhere mentions the significance of Franklin's theory of value or of the fact that Karl Marx singled out Franklin for mention as the first man to have sensibly analyzed exchange value.

** Bigelow, *Cited Work,* Vol. III, p. 243.

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BUILDING THE WESTERN-HEMISPHERE DEMOCRATIC FRONT

BY WILLIAM Z. FOSTER

THIS year's anniversary of the independence of the United States occurs in the midst of a growing struggle of the peoples of North, Central and South America against fascism—that malignant menace to peace, freedom and prosperity. From Canada in the North to Chile in the South, the twenty-two American nations, with their 250,000,000 inhabitants, are increasingly stirred by the deepening conflict between the forces of progress and those of reaction. The clash takes place on every front—political, economic, ideological.

The issues at stake in this struggle are gigantic—the disposition of the vast resources of this immensely rich hemisphere, the national independence and material welfare of the peoples of more than a score of countries, the decision as to which side the great influence of the three Americas will go in the developing world struggle between democracy and fascism. The forces at play in this vast political drama are extremely complex. German, Italian and Japanese fascism constitute the first and foremost danger. Supporting them in devious ways are British tories and Wall Street monopolist interests. Native big landlords and capitalists, ruthless and treacherous, are making common cause with fascist imperialism. Against all of these, the great popular masses are striving for freedom and well-being.

In this deepening welter of continental struggle it becomes increasingly clear that the democratic masses —workers, peasants, students, professionals, small business people—are fighting a winning fight. Gradually a great all-American democratic front is taking shape; throughout the hemisphere a huge popular wave is rising, directed against fascism, war and imperialist enslavement. But the victory is by no means won. Tremendous and decisive struggles loom ahead in the very near future, struggles within the several countries and on a continental basis. The outcome of these will be of profound importance—to the peoples of this hemisphere and to those of the whole world.

THE FASCIST OFFENSIVE

In examining the complicated Pan-American situation let us begin with a glance at what the enemy is doing throughout the hemisphere. The main danger of fascism in the Latin-American countries comes from the Berlin-Rome-Tokio triangle; in the United States and Canada it comes from the most reactionary sections of

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monopoly capitalists. In Latin America, German-Italian-Japanese fascist activities have enormously increased since the Munich agreement and Franco's victory in Spain. The fascist powers have deluged the Latin American countries with propaganda and infested them with spies and agents. Nor have the United States and Canada escaped their attention, as the repeated exposures of fascist espionage in these countries show.

The fascist invasion of the Americas assumes political, economic, ideological and sometimes military forms. Germany especially is carrying on a big campaign to subjugate the Latin American countries economically with its barter system, of which I shall speak further along. Both Germans and Italians are busily exploiting their victories in Munich and Spain in order to throw confusion into the minds of the masses. The fascists also do not hesitate to proceed with military means wherever practicable.

It is only a year since the Nazis failed in an armed uprising to seize control of Brazil from the reactionary Vargas government. They also tried, unsuccessfully, in their putsch of February, 1939, to overthrow the reactionary Peruvian dictator, Benavides, and to put one of their agents in his place. Similarly, they planned to seize Argentinian Patagonia and to set up a puppet state; but this scheme also came to grief. The fascists had better success in Bolivia, however, where on April 25 of this year they established a totalitarian state under Colonel Busch, a Nazi tool of German descent and affiliation. Meanwhile, Germany, Italy and Japan are busy plotting in every Central and South American state, maneuvering to secure radio stations, to develop potential airfields, etc. After Munich, Mussolini brazenly announced that the frontier of the Berlin-Rome-Tokio triangle was at the Panama Canal; but this boast was a rather modest statement of fascist objectives, for recent months have exposed fascist plans for air bases in Iceland and even in Canada. Now they have put in the mouth of Franco and his Latin American fellow Phalangists the slogan "Restoration of the Spanish Empire." Even as this is being written a conference is being held in Berlin of all the Nazi diplomats to Latin America. The general purposes of their deliberations may be easily surmised.

The Berlin-Rome fascists find willing allies in the semi-feudal landlords of the Latin American countries, included among whom are the hierarchy of the Catholic Church. These people, the main source of the many local fascist movements, never fail to make traitorous alliances with the German and Italian governments against their own nations wherever they fear a rise of the people's front movement.

British and American imperialists also ally themselves with the native and German-Italian fascists wherever they face strong democratic, national liberation movements of the people. Characteristically, British imperialism sabotaged the Lima conference and also has a hand in many a fascist plot in Latin America. Characteristically, also, American imperialists—especially the Wall Street oil monopolists—supported the ill-fated uprising of the Mexican fascist bandit Cedillo, and are now helping arm the threatening

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fascist opposition against President Cardenas. In the same spirit the American imperialist reactionaries in the United States—Hoover, Hearst, Coughlin, etc.—make war against Roosevelt's Good Neighbor policy, minimize the fascist danger in Latin America, block a friendly settlement with Mexico on oil and silver and sabotage Cordell Hull's reciprocal trade agreements with Latin American countries. In every Latin American state American imperialist interests will be found plotting with landlords, and with German-Italian and also British imperialists against the growing democratic front movement.

The fascist offensive in Latin America, which is based upon German, Italian and Japanese fascism plus the local landowners, in addition to collusion on the part of British tories and Wall Street imperialists, also derives aid and comfort from the Trotskyites. These traitors, although consisting of only a few handfuls here and there, are dangerous. They stab the people's movements in the back. Like Hitler, they try to make Roosevelt out to be the main enemy and seek to turn the anti-imperialist sentiment of the masses against his Good Neighbor policy. They make war against every feature of the local and continental people's front movements; they denounce collective peace action by the American and world democracies as warmongering; they join the reactionaries in slandering the Communist Party and the Soviet Union; they try to rush the people into premature programs of nationalization of industry; they seize upon every opportunity to split and demoralize the trade unions; they try to inject demagogic cathchwords of "Socialism as the main immediate issue," designed to block and disrupt the defense of peace, democracy and national independence. All of which is water on the mill of the fascists.

That the fascist offensive in the three Americas is alive and vigorous is obvious; but it is no less clear that the building of the hemisphere democratic front is making still faster progress, as will be seen from a glance at its principal phases.

THE NATIONAL PEOPLE'S FRONT MOVEMENTS

The foundation stones of the developing hemisphere democratic front are the people's fronts in the various American countries. These, in the main, are achieving substantial progress. The greatest recent democratic success was in Chile where, in October, 1938, a combination of workers, peasants, professionals and the progressive sections of the bourgeoisie dealt a smashing blow to reaction, elected President Aguirre Cerda and set up a people's front government, thus establishing a strong democratic fortress in South America. In Cuba the democratic forces, with Colonel Batista as their outstanding figure, have also been making swift progress and are on the way to the formation of an advanced form of popular democracy. Meanwhile, in Mexico, the people's front government headed by Cardenas has gone on steadily strengthening its position. In these three situations, the popular mass organizations—trade unions, peasant organizations, student bodies, democratic and Communist political parties, etc.—have unified themselves and

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undergone rapid growth. Typical of the general trend, the newly consolidated Labor Confederation of Cuba (C.T.C.) has over 500,000 members, a figure which is numerically equivalent, in proportion to population, to a union membership of at least 12,000,000 in the United States.

In virtually all other Latin American countries (and we can include also the Philippines), there are popular front movements in varying degrees of development. In Colombia, in spite of the recent electoral successes of the Conservative Party, the democratic forces, headed by the Liberal Party in power, maintain the country as one of the bulwarks of Latin American democracy. In Argentina the government, under the pressure of the people and particularly of the trade unions, has broken up the fascist organizations, and a democratic electoral victory has been achieved in the province of Entre-Rios. In Uruguay President Baldomir has resisted the fascist pressure exerted through the Herreristas forces. In Paraguay the recent victory of Estigarribia was possible by the support of the democratic forces. In Puerto Rico there is a strong people's movement against the brutal super-exploitation by American imperialism. Even where reactionary dictators rule—in Brazil, Bolivia, Peru and Central American countries—the virtually universal popular front tendency is distinctly growing and the dictators are increasingly menaced by the rising democratic tide. The Latin American workers, who have few Social-Democratic traditions and no strong labor aristocracies corrupted by imperialism, take readily to the people's front. In all these popular mass movements the Communist Parties are playing vital, leading organizing roles.

North of the Rio Grande the great people's mass movement in the United States around the New Deal and the labor unions in recent months has been conducting something of a defensive struggle against the current big offensive by the forces of reaction. It has withstood this attack so far, defeating or checking the opposition attempts to break down Roosevelt's foreign policy, to slash his work relief program, to shift the tax burden off the shoulders of big business, to cut the Wagner Labor Act to pieces, and to destroy the most important unions of the C.I.O. in the auto, textile and coal industries. But the Roosevelt government has not defeated big capital's economic sabotage of the country or generally taken the offensive in support of the New Deal program. And a very grave weakness of the progressive movement is the A. F. of L.-C.I.O. split. In Canada, the basic elements of a strong popular front movement are developing noticeably. An important recent event in Canada was the enactment of the new trade union law, which is expected greatly to facilitate the organization of the unorganized workers.

In all the American countries throughout the hemisphere where people's front or quasi-democratic governments are in control—Chile, Mexico, Cuba, the United States—they face stupendous problems of economic reconstruction. Here it is not necessary to dwell upon the great tasks confronted by the Roosevelt Administration, which faces 11,000,000 unemployed, paralyzed industries, im-

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poverished farm population, the sit-down strike of big capital, etc. In Chile, Mexico and Cuba conditions are still more difficult, what with mass starvation among industrial and agricultural producers, the land monopolized by great landlords, and the industries and natural resources in the hands of foreign imperialist interests. Typical of the situation in many Latin American countries is that of Mexico, where foreigners own 50 per cent of the country's natural wealth, 95 per cent of its extractive industries and 60 per cent of its manufacturing and processing industries.

The governments backed by the people's front and democratic front are attacking these huge tasks of reconstruction. It is needless to recapitulate here the work of the New Deal Roosevelt government. The general reconstruction line in Latin America is indicated by the Cardenas Government in Mexico. It has nationalized the oil industry and the railroads; it is also gradually breaking up the landed estates—so far some 36,000,000 acres of land having been distributed to the peasantry. Besides this, the Mexican government has taken many other steps to improve the living and cultural conditions of the workers and other toiling masses. The new People's Front government in Chile has also begun work to realize a broad program of land reform, establish popular control of the nation's natural resources, industrialization, abolition of illiteracy and general improvement in working and living standards.

All the people's front and democratic front-supported governments on our two continents face tremendous reactionary opposition. In Mexico the progressive Cardenas government has to fight a powerful combination in which are found native reactionaries, the Nazis and Anglo-American imperialist interests. The great test of strength will come in the 1940 presidential elections. A second term for President Cardenas being unconstitutional, the democratic forces are moving to unite around a single progressive candidate. The reactionaries are ganging up behind General Almazan and, realizing that they would have only a small chance in an honest election, they are organizing for an armed revolt. In Cuba Colonel Batista also faces a ruthless and powerful opposition of American imperialist interests, native large-scale landowners, the daily bourgeois press, and hostile majorities in both houses of Congress; but he has the support of the great bulk of the Cuban population and is firmly entrenched in the army. The clash between the two opposing forces in Cuba is developing around the elections for the Constituent Assembly in October and it is quite possible that the opposition in desperation may resort to a putsch. In Chile the young people's front government similarly has to fight a powerful and determined opposition, eager and willing to destroy it by violence, should it find a favorable opportunity. And, as we know, in the United States the Roosevelt New Deal government and the democratic cause generally are facing a fierce fight for life in the Presidential elections of next year. The outcome of the United States elections will exert a profound effect on the democratic front throughout the Americas.

From the foregoing facts we can

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draw the general conclusion that while the people's front movement is undoubtedly making substantial progress in many individual American countries it has not yet firmly consolidated its position. Everywhere it is faced by staggering economic problems which it has not yet mastered, and in all the countries it confronts a resolute and desperate opposition with the danger of fascist coups d'état becoming more and more menacing.

THE PAN-AMERICAN PEACE FRONT

The mutual aid peace pact between the various American governments is one of the stronger phases of the developing hemisphere democratic front. At the Lima, December, 1938, Pan-American conference the American governments, all being represented except Canada, advanced beyond their position in Buenos Aires in December, 1936, and declared their common determination to resist aggression. In his recent Pan-American Day address President Roosevelt summed up the stand at Lima as follows: "Twenty-one American nations joined in a declaration that they would coordinate their efforts to defend the integrity of their institutions from an attack, direct or indirect."

Fascists and other reactionaries everywhere gulped hard at this bitter pill of united action by the Americas against fascist aggression. But they were unable to defeat it. Munich was fresh in the public mind; the danger of fascist war loomed over the Americas; the threat to the national independence of many Latin American states was vivid and imminent; the American peoples had made the peace phase of Roosevelt's Good Neighbor policy thoroughly their own. The consequent pressure of the masses in all the countries of the two continents for a common solidarity of the Americas against the ruthless fascist enemy was irresistible. The reactionaries in the several countries could not withstand it, although the Ortiz government of Argentina, elected with the support of British tories and of Nazis, did succeed in considerably weakening the peace stand taken at Lima.

The Lima conference arrived at four principal decisions: (a) joint action by all the American countries against aggression; (b) condemnation of religious bigotry and racial intolerance; (c) repudiation of organized political activities by alien groups; and, (d) support of the reciprocal trade agreement policy. The conference did much to strengthen the growing democratic mass movements throughout the two American continents. Moreover, it made the Americas a world peace factor of vast importance.

One very significant aspect of the developing peace solidarity of the score of American nations is the growing popular trend in Canada for Canadian-American collaboration, which has hitherto held aloof as a government from joint actions by the Pan-American states. In August, 1938, President Roosevelt declared that "the peoples of the United States will not sit idly by if domination of Canadian soil is threatened." Tim Buck, General Secretary of the Communist Party of Canada, says Roosevelt's statement gave "a thrill of satisfaction and assurance to 90 per cent of the Canadian people." Probably, before

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long, Canada will be in active collaboration with the other states of the Americas.

The people of the United States are overwhelmingly backing up Roosevelt's vigorous lead in building the Pan-American peace front, despite determined efforts of the Hoovers and their like to confuse them. They fully support Roosevelt's determination to defend the peace and territorial integrity of the Americas with all the armed power of this country. In endorsing an extension of the United States navy and air force the people definitely have in mind the defense of the whole hemisphere from fascist aggression. One significant expression of the broad mass sentiment in favor of Roosevelt's peace defense policy is the fact that an important section of the Republican Party, typified by Landon, has to give this policy lip endorsement; and another is that the initiators of the Ludlow war referendum amendment, who are advocates of isolationism, had to change their proposal so as to define military cooperation with Latin-American countries as defensive action requiring no sanction by popular referendum.

The Lima conference, despite its limitations, was a substantial achievement for the forces of peace and democracy throughout the three Americas. But the reactionaries of all stripes—in the first place German and Italian fascists, supported by reactionary circles of Anglo-American imperialism, as well as big landowners and other reactionaries in the various Latin American countries, and their Trotskyite stooges—are ceaselessly at work trying to break down what was accomplished. Only by the greatest vigilance and determination on the part of the democratic forces throughout the hemisphere can the peace unity of the American peoples be maintained and extended.

THE INTERNATIONAL TRADE STRUGGLE

In our summary so far we have seen that the developing hemisphere democratic movement is making real progress, in spite of some setbacks, in the establishment of people's fronts in the various coutries, and it is also succeeding in developing Pan-American peace unity between the respective governments. It cannot be said, however, that much has been achieved as yet by the forces of democracy in the vital matter of controlling the foreign trade of Latin America. In this fundamental sector the present-day struggle develops primarily as a battle between Nazi Germany and the United States for leadership in Latin American markets.

With its barter system, export subsidies, blocked marks, clearing agreements and militant propaganda, Germany is conducting a ruthless drive to dominate the trade of Latin America, and it has been making dangerous progress. Italy is also intensifying its efforts along the same lines. In the first seven months of 1938 German exports to Latin America exceeded by 12 per cent those of the same months of 1937. Between 1933 and 1937, German trade with Brazil increased from 12 per cent to 24 per cent of the total; in Chile from 11 per cent to 26 per cent; and in Peru from 10 per cent to 19 per cent. By its agreement with Costa Rica Germany is capturing the coffee distribution trade

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in Europe, long held by England. In Bolivia the Germans have put through important oil barter deals, and in Ecuador the deputy Preiz asserted recently that "German economic tactics have conquered our own country without firing a shot." The most dangerous trade advance of the Germans, however, is their oil agreement with Mexico.

German economic penetration into Latin America, which is the most virulent type of imperialism, threatens not only the economic welfare of the masses, but also the democracy and political independence of their countries. Realizing this, President Roosevelt in his recent Pan-American Day address stated that "should the method of attack be economic pressure, I pledge that my own country will also give economic support, so that no American nation need surrender any function of its sovereign freedom to maintain its economic welfare."

This statement would seem to imply an intensification of the economic side of the Good Neighbor policy, with its correlated aspects of reciprocal trade agreements and financial loans. So far, the United States has made trade agreements with ten Latin American countries, in addition to one with Canada, and it is now negotiating for others. Its Latin American loan policy has as yet assumed only small proportions, some of its principal items, either completed or under consideration, being Brazil $120,000,000, Cuba $50,000,000, Chile $80,000,000, Nicaragua $2,000,000, Paraguay $500,000.

In its fight for Latin American trade, as against the Nazi drive, American policy has been somewhat weak and vacillating. Especially the loan policy has not been developed. This is due partly to hesitancy and confusion among New Dealers and also to reactionary influences in Congress and the State Department. A bad example of the application of the economic side of the Good Neighbor policy was in the case of Mexican oil, as a result of which the Cardenas government has been forced by the United States to sell its oil in the open world market, which means to the fascist "anti-Comintern" powers. Another recent negative example, which is bound to have adverse repercussions in Latin America, was the stupid slap in the face given Argentina by the tories in Congress in connection with the proposed purchase of canned beef for the U. S. Navy. Gross neglect of the economic welfare of Puerto Rico is also a blot on the record of the New Deal Administration.

In *The New York Times* of May 20 John W. White makes a pessimistic sum-up regarding the trade struggle between Germany and the United States in Latin America, saying:

> "Political problems throughout South America are closely interwoven with economic problems, and the United States is definitely losing ground through its inability to buy larger amounts of South American goods. This is forcing Southern Republics to look to Germany for relief."

In a recent issue of *Foreign Affairs*, however, P. W. Bidwell undertakes to explain this. He says the advances being made by Germany in Latin American trade are principally at the expense of Great Britain and others, rather than the United States. He

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states also that the decline of 9 per cent in United States exports to Latin America during the first seven months of 1938 is to be explained almost entirely by loss of trade with Mexico.

Obviously it is necessary that the hemisphere democratic forces make a more effective resistance to the fascist economic penetration. This will involve a great broadening out of the New Deal trade agreement and loan policies in Latin America. If this broadening out is not done serious political setbacks to the democratic front movement generally can ensue.

INTER-CONTINENTAL COOPERATION OF DEMOCRATIC ORGANIZATIONS

Another very important sector in the developing hemisphere democratic front is that of cooperation between the popular mass organizations of the various American countries. Here substantial progress has been achieved in recent months in organizing the anti-fascist forces.

The first instance to be noted is in regard to the youth. At the Second World Youth Congress, held at Vassar College, August 16-23, 1938, there was a large participation of young people from all the principal Latin-American countries—that is, 171 delegates (besides 60 from the United States and 47 from Canada) out of a total of 600. At the Congress a special meeting of the Latin American representatives was held. This conference, among its many measures for the democratic development of the Americas, endorsed Roosevelt's Good Neighbor policy and also world collective action by the democratic powers to halt the fascist war-making aggressors. The conference has produced favorable repercussions among the youth of Latin America, and it is expected that the coming inter-American student conference in Havana will be successful.

A second event of vast importance in the field of cooperation on a hemisphere scale between the people's mass organizations was the holding of the Assembly of the International Congress of the Democracies of America in Montevideo, Uruguay, March 20-24, 1939. Represented at this historic gathering were virtually all of the strongest people's front forces in Latin America. From the United States Kathryn Lewis, daughter of John L. Lewis, was present as a representative of Labor's Non-Partisan League; also present were delegates from the American Labor Party and the Council for Pan-American Democracy. The assembly organized the "Confederation of the Democracies of the Americas," to consist "of all democratic parties of the entire continent." The assembly also laid down a program of struggle for peace and democracy, for national liberation and for the economic and cultural welfare of the peoples of this hemisphere. It called for joint action in defense of the sovereignty and integrity of the American nations and to protect international peace from the fascist war-makers. The assembly decided "to emphasize before the people of this continent the principles stated by President Roosevelt in behalf of democracy and peace, and to demand the support of and cooperation of all the democratic forces of America, political parties and social and cultural organizations, for this policy." The second congress of the

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Confederation of the Democracies of the Americas will be held in Washington, D. C., on September 20, 1940.

A third development of deep significance in uniting the democratic forces of this hemisphere was the establishment of the Latin American Confederation of Workers (C.T.A.L.) in Mexico City in September, 1938. The Congress had representatives from all the principal labor movements of the Latin American countries and succeeded in unifying these organizations into a great American trade union international. Present also at the Congress were Leon Jouhaux of the French C.G.T., and John L. Lewis of the C.I.O., as well as representatives from the labor movements of Republican Spain, India, Sweden, Switzerland, and also from the International Labor Office of the League of Nations. The Congress, with the people's front orientation now characteristic of Latin American democratic mass movements, took a sharp stand against fascism, both foreign and native, for national liberation of the Latin American countries, in support of Roosevelt's Good Neighbor policy, for collective security against fascist aggression, for international trade union unity, for affiliation to the Amsterdam International, etc. The head of the new confederation is V. L. Toledano, leader of the Mexican trade union movement.

The foundation of the Latin American Confederation of Labor and the great interest being shown by the C.I.O. in Latin American affairs have already produced profound effects throughout Central and South America. They have also stirred into action the reactionary heads of the American Federation of Labor who, reflecting American imperialists, have always looked upon Latin America as a sort of private hunting grounds of their own. Consequently they have exhumed the long-dead Pan-American Federation of Labor, which has not held a meeting since July, 1927, and they propose to call a Latin American trade union conference in the near future. This is a deliberate attempt to spread the American trade union split throughout the hemisphere. The only ones in Latin America who can possibly profit from such a disruptive movement are the fascists and other reactionaries. Toledano, head of the Latin American Confederation of Workers, has denounced the resurrection of the corpse of the Pan-American Federation of Labor and charged the proposal as being "in the service of American imperialism." He declared that the P. F. of L. has no mass base in Latin America, all the real trade unions being affiliated to the Latin American Confederation of Workers or under its general influence. The splitting maneuver of the A. F. of L. leaders will probably not succeed on any mass scale; nevertheless, it represents a serious danger to the solidarity of the democratic forces in Latin America.

Still another important development in the general point of intercontinental democratic collaboration is the growing cooperation directly between the various Communist Parties of the Americas. The recent convention and national committee meetings of the Mexican, Cuban, Canadian and United States Communist Parties were occasions for many rep-

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resentatives of the brother parties to assemble from points as far distant as Chile and the Philippines. In South America a similar close Communist cooperation is growing. And now there is a perspective of an early conference of all the Communist Parties of the Western Hemisphere. This growing collaboration of the Communist Parties throughout the Americas is a factor of the utmost importance for the greater stimulus and consolidation of the Pan-American forces of labor and democracy.

SOME MAJOR TASKS

From the foregoing outline summary of the situation throughout the three Americas it is clear that a great hemisphere democratic front is gradually taking shape. People's front movements are being built in the respective countries at varying speeds; the Pan-American peace alliance between the various governments is being steadily consolidated, and cooperation is being constantly extended between the mass organizations of the many countries. The weakest spot in the general democratic line-up is that of the economic aspects of the Good Neighbor policy —continental foreign trade, where Nazi fascism displays dangerous strength; but here, as we shall see, the democratic forces have great reserves not yet drawn upon. Despite the progress that is being made in building the hemisphere people's front, however, very much still remains to be done to make the Americas an impregnable fortress of world democracy. Here I shall indicate only a few of the major tasks.

A. *The National People's Fronts.* The task of strengthening these movements in the various countries of Latin America presents a host of problems, including the development and execution of progressive land reform programs, the popular control of the national resources, the building up and unifying of the labor and popular mass organizations, the involvement of the Catholic masses, the winning of progressive sections of the bourgeoisie against the imperialists, the organization of Spanish and Jewish refugee immigration, and the isolation and elimination of the Trotskyites. Especially to be signalized under this general head is the necessity to purge the government apparatus and armed forces of reactionaries and to break up the fascist espionage rings and terrorist gangs. The example of Spain fairly shrieks this lesson. In Mexico and Chile some headway has been made in cleaning fascists out of the army, and in these countries, as well as in Argentina and elsewhere, numerous Nazi agents have been exposed, deported and their conspiratorial gangs broken up. Only a start has been made, however. In all such cleansing activities vigilance is very necessary to prevent the mass desire to be rid of fascist agents from being distorted and used against the democratic forces, as the Dies Committee is doing in the United States.

An important task of the stronger national people's front movements is to help their weaker neighbors.

At the present stage of development of the people's front movement some Latin American countries are in convenient strategic locations to render help to other countries where the

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movement is weaker. Mexico and Cuba have special responsibility to the countries of the Caribbean. Chile is in an exceptional position to help the Pacific countries of South America and, in spite of the fact that in Argentina the people's front movement lacks national scope, it can render help to Uruguay, Paraguay and Brazil. In all this work of mutual aid the radio is tremendously important. The United States democratic front movement has a double responsibility to help Latin American countries as a whole, badly-neglected Puerto Rico in particular, to bring the New Deal to that impoverished country.

B. *The Pan-American Peace Front.* On this sector of direct government cooperation also there are many very important tasks. Everything possible must be done to strengthen the Pan-American Union and its peace policy. To this end it is especially necessary to secure the affiliation of Canada and representation from all the British, French and Dutch colonies in the hemisphere to the Union; the Philippines and Hawaii should also be brought to participate in it. To be effective in giving a decisive setback to fascist aggression the Pan-American peace front, breaking with all isolationist tendencies, must link itself with the world peace forces, including the Soviet Union, the most consistent champion of world peace.

The Pan-American Union needs also be democratized, by the inclusion of workers and peasants in the various delegations, and by the holding of international mass conferences at the same times and places as the conferences of the P.A.U. It is important also that the decisions of the P.A.U. should be better enforced in the various countries. Furthermore, the P.A.U.'s functions should be broadened out. Especially its labor department should be developed—a demand now being pressed by the C.I.O. Recently the Interdepartmental Committee recommended to President Roosevelt seventy-four proposals for increased cooperation between the United States and Latin America, involving activities by almost every department of the United States government. These proposals should be carefully studied throughout the hemisphere; many of them can be made good use of by the peoples.

The International Labor Office of the League of Nations has scheduled its second Latin American regional conference to take place next December. The experience of the first conference teaches that this gathering should provide opportunity for the democratic forces generally to strengthen their program and to facilitate penetration of the reactionary dictatorship countries which are affiliated to the League of Nations, on the basis of the progressive measures adopted by the I.L.O.

C. *The International Trade Struggle.* In this phase the hemisphere democratic forces have urgent need to strengthen their activities in order to prevent the grave danger of fascist domination of the resources and markets of Latin America. The key to success in giving the Good Neighbor policy a strong economic backbone lies in a great extension of the Roosevelt-Hull policies of reciprocal trade agreements and government

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loans to Latin American countries. This is the problem of re-starting and reorganizing the export of United States capital to Central and South America.

During the great economic crisis, not only did the investment of new capital in the domestic industry of the United States come almost to a standstill, but also the export of capital to Latin America actually ceased completely, and for the same general reasons. According to Department of Commerce figures, the following is a table of:

". . . the net nominal amount of Latin-American issues publicly offered in the United States since 1929. The amounts shown are exclusive of estimated refundings to Americans.

(In millions of dollars)

1929	175.0
1930	194.4
1931	.0
1932	.0
1933	.7
1934	.0
1935	.0
1936	8.5—Credit
1937	15.3—Credit
1938	20.9

"The credit figures for 1936 and 1937 result from the fact that the issues refunded exceeded the new issues sold in the United States."

Just as it is necessary for the Roosevelt Administration to intervene with huge capital expenditures of government funds in order to infuse life into the paralyzed American industries, so also is it necessary for the United States government to develop a vast capital export to Latin America in order to revive and expand trade with those countries. In the case of the export of capital, as in the matter of fresh capital expenditures within the United States, monopoly capital is both unable and unwilling to meet the situation.

The export of United States capital to Latin America must, however, take place upon a totally different basis than formerly. In the days before the Good Neighbor policy the export of capital was carried out by private bankers and used by them to restrict Latin American industries mostly to public utilities, railroads, plantations and mining; the bankers also used their capital for fierce exploitation of the Latin American peoples by American imperialists, for setting up American-controlled dictatorships, and for weakening the national sovereignty of many Latin American countries through American financial control and the use of military force.

The export of American capital under the Good Neighbor policy, however, instead of developing imperialist super-exploitation and oppression, must be made to lead to the growth of democracy and friendly economic cooperation between the score of countries in the hemisphere. The loans should be negotiated between government and government; they should be long-term, bear minimum rates of interests, and contain no restrictions whatever as to the type of industrialization to be carried out. Especially they should be free from any economic or political coercion over the borrowing countries by the United States. The loans would be guaranteed by democratic people's governments, instead of by irresponsible dictators as in the past. In practice this would mean that the Latin American governments would work

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out plans for the industrialization of their countries and the United States would largely finance them by loans. This would strengthen democracy in Latin America and also in the United States by improving the economic situation in both areas through democratic methods. Nazi fascism could not defeat such economic cooperation.

The United States, seeking fields of capital investment, could profitably export billions of dollars into Latin America on this basis. Such loans would provide an immediate increase of United States trade with Latin America, and the ensuing industrialization and improved agriculture of Latin America would create the basis for a larger permanent trade. Thus, industrialized Canada's imports from the United States equal 90 per cent of the United States exports to twenty weakly industrialized Latin American countries with ten times the Canadian population; and Argentina, with one-fourth Brazil's inhabitants, imports one and a half times as much from the United States. The present or proposed loans to Chile, Brazil, Cuba, Paraguay, Haiti, etc., are only drops in the bucket compared to what can and ought to be done. The democratic peoples of Latin America, therefore, should negotiate for large-size loans, and the workers and progressives of the United States should fight to see they get them. This whole loan question can be made an important New Deal issue in the 1940 elections. To plans of U.S. government capital investment in W.P.A., housing, railroads, health promotion, etc., a huge loan program for Latin America should be added.

D. *Hemisphere Cooperation of Mass Organizations.* In this sphere also there are many tasks awaiting fulfilment in the big job of building the Pan-American democratic front. There is the need to strengthen the international bonds and activities of the Latin American Confederation of Workers and also those of the new Confederation of the Democracies of America, the building up of the all-American student movement, and the much-needed organized international movement of peasants and farmers. These tasks present elaborate aspects, but here I shall confine myself briefly to only one problem—trade union unity.

The threat of Green, Woll and Company, in collusion with the discredited Morones, to exhume the Pan-American Federation of Labor from its well-earned grave is a menace to the progressive movement throughout North and Latin America. It should not be allowed to take place. The split in the labor movement in the United States must not be permitted to cross the Rio Grande. In the Latin American Confederation of Workers, the toilers of the countries to the south of us have established a real basis for trade union unity. They will not let the Greens split their ranks in their criminal war against the C.I.O. The workers of the Americas should also be very much on guard against splitting moves in the same direction by the Amsterdam International.

Labor unity throughout the two American continents is an urgent necessity. It is a necessity also in the interests of international trade union unity. And the most practical way to

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achieve the maximum possible unity under present circumstances is for the Latin American workers to hold to their Confederation and to accept C.I.O. and A. F. of L. fraternal delegates to the Congresses of the Latin American Confederation. Later on, when the A. F. of L. and C.I.O. unite their forces into one body or at least agree upon a joint program of harmonious cooperation with the Latin American labor movement, then will be the time to establish a more solid hemisphere labor unity in a great all-American trade union congress. In the meantime, should the A. F. of L. reactionaries try to carry their splitting tactics to Latin America by hold ing a Pan-American Federation of Labor Conference, this disruptive gathering should be resolutely fought against by the workers in this country and boycotted by all Latin American trade unions.

E. *On the Ideological Front.* The building of a great democratic front throughout the Western Hemisphere presents numerous difficult theoretical problems, many of which have been as yet only cursorily examined. There is much Marxist-Leninist analysis to be made, much concrete application of the theoretical work of Lenin and Stalin to specific Pan-American situations. The Communist Parties have leading tasks to perform in every sector of the huge continent-wide democratic struggle, but none is more important than the thorough clarification of the theoretical problems faced by the awakening masses.

Among the most basic of the general complex of theoretical problems requiring more precise analysis are the relations between the people's front and the uncompleted bourgeois-democratic revolution which has left many of the countries with semi-feudal land systems; the relations between the people's front and the national liberation struggle to achieve popular control of the basic natural resources and the independence of various Latin American countries from imperialist oppressors—especially in view of the fascist and Trotskyite "anti-imperialist" demagogy; the relation of the democratic program of the people's front to the fight for socialism; the relationship between the Indian, Negro and white peoples, to counteract the fascist "racist" propaganda; the relationships in the complicated struggles between the fascist axis powers and Anglo-American imperialism in Latin America. There is also need for a thorough survey of the bourgeois-democratic revolution as a whole throughout the two continents, from its inception 150 years ago until the growth of the present-day people's front movement.

Especially is it necessary to analyze precisely, and to popularize widely, the antagonistic relations between Roosevelt and the New Deal, on the one hand, and the ruthless American imperialist interests on the other; to explain the difference between the present-day Good Neighbor policy and the Monroe Doctrine as applied by Theodore Roosevelt, Coolidge and Hoover. This analysis is imperative because the fascists and Trotskyites try to identify Roosevelt with Wall Street, and strive to turn the anti-imperialist masses against his Good Neighbor policy.

There is also a danger from another direction. The hemisphere dem-

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ocratic forces, while cooperating with Roosevelt, who has become the democratic leader of all the Americas, must not fail to carry on a struggle against predatory Wall Street imperialist interests—the common enemy of the New Deal and of the peoples of Latin and North America. At the recent Congress of the Communist Party of the Soviet Union Comrade Manuilsky warned against "certain tendencies of a Right-opportunist character—a tendency . . . to idealize the role of the so-called democratic states, and to gloss over their imperialist character." Nowhere is this warning more pertinent than with respect to Wall Street imperialism in Latin America.

Confusion regarding the complicated theoretical questions now confronting the democratic front in the Americas is bound to lead to disastrous errors in practical work. The masses are on the march in many of the countries, and the fascists and counter-revolutionary Trotskyites are using every trick to mislead them. The only way, therefore, to avoid costly mistakes is by having our political analyses and programs very clearly worked out. This means that a vast amount of theoretical work is necessary, work that is the special task of the vanguard Communist Party.

STRENGTHEN PAN-AMERICAN DEMOCRACY!

THE General Secretaries of the Communist Parties of the United States, Canada, Chile, Cuba, Mexico and Venezuela have just met in the city of New York to study the burning problems facing Pan-American democracy, with the object of finding improved methods for cooperation among all democratic forces in our hemisphere for struggle against aggression by the fascist powers and for the defense of peace and the freedom of our peoples.

By means of violent aggression and war, the Rome-Berlin-Tokyo triangle is carrying through a new redistribution of the world. In Europe they have conquered Austria, Spain, Czechoslovakia, Memel, Albania, and are getting ready to conquer the rest of Central Europe. They have subjugated the valiant Ethiopian people, have invaded China, and have sinister plans of conquest for the Americas. In their deeds of war and plunder they have been aided, beginning with the policy of "non-intervention" in Spain, by the fascist-minded bourgeoisie of England and France, headed by Chamberlain and Daladier.

The establishment of fascism in Spain under the bloody dictatorship of General Franco, the puppet of Hitler and Mussolini, greatly aggravates the dangers to our hemisphere. A new fascist state has been added to the fascist machinery of conquest. Through Spain, fascism will try to

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make use of the historical links, as well as the cultural and economic relations of the Spanish people with the people of Latin America, will attempt to utilize the millions of Spaniards living in Latin America, in the fashion that Germany, Italy and Japan are endeavoring to influence their nationals.

Already Hitler and Mussolini have placed in Franco's mouth the slogan that symbolizes the fascist plan in Latin America: *"The Reconstruction of the Spanish Empire."* Recent events in Patagonia, Peru and above all in Bolivia are added proofs of the plans of the fascists to extend their conquest to Latin America. It is also clear that they plan to make Latin America a base from which to attack the United States in their ambition to dominate the world.

Under these circumstances, the historic resolutions of the Lima Pan-American Conference (December, 1938), the fundamental resolutions adopted by the recent Congress of the Democracies of the Western Hemisphere that took place in Montevideo (March, 1939), acquire far-reaching importance. At the Montevideo Congress, the parties and representative leaders of numerous countries undertook the solemn promise to work for the unification of all democratic and progressive forces in each country and in our hemisphere as a whole, with the aim of creating the "Confederation of the Democracies of the Americas." They also established the need for unity of the people of Latin America with the North American people, and cooperation with the Roosevelt Administration for the consistent application of a democratic Good Neighbor policy. Montevideo called for joint struggles against common enemies—against the forces in our hemisphere that make fascist penetration possible, against any form of "appeasement" and against all appeasers of fascism, and, in particular, against Wall Street, the enemy of the Roosevelt New Deal and of all the people of the Americas.

Upon Chile, Cuba and Mexico—where the anti-fascist movement has reached a high level of development—the intrigues and machinations of reaction, fascism and their Trotskyite agents are especially concentrated. Public opinion must be mobilized for the active defense of these countries to secure for them the support they need from the democratic forces of our hemisphere, to safeguard their economic and political advances, and to guarantee national security and peace while they carry on their creative endeavors.

The epoch-making resolutions of the Montevideo Congress express the deep anti-fascist sentiments predominant among the proletariat and the people in our countries. They recognize the need for the further and broader development of democracy. Therefore, we welcome them and lend them our support.

The working class is most interested in the realization of the tasks outlined at the Montevideo Congress, and its participation in the work projected by the Congress is indispensable. For the most effective participation of the proletariat it is necessary to achieve and strengthen trade union unity in every country and throughout the hemisphere.

The popular vigilance of the masses

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against all enemies and destroyers of unity is inseparable from the true anti-fascist work that must be performed by all sincere believers in democracy and peace. Trotskyism is carrying on the most insidious activity, at the same time lending efficient service to the war incendiaries. The struggle against Trotskyism and for the unity of the working class and the people is the duty of all those who aspire to see our hemisphere free of fascism and war.

The Communist Parties of this hemisphere are proud of the role they are playing—some of them under painful conditions of illegality and under constant persecution by reactionary governments linked with fascist powers—the role of propagandists and organizers of anti-fascist unity. They have shown, with undeniable proof in deeds, their genuine democratic character, their loyalty to their people, and are acting as faithful representatives of the proletariat, the class that consistently struggles for democracy and carries within itself the future of a classless humanity.

In order to coordinate the work of all the Communist Parties of the Americas, with a view to helping solve our common problems, improve inter-American relations and advance the anti-fascist movement, the undersigned deem it necessary to take the initiative in calling an international conference of all the Communist Parties of the Americas to be held in the near future.

Signed by:

EARL BROWDER—Communist Party of the United States of America.

TIM BUCK—Communist Party of Canada.

CARLOS CONTRERAS LABARCA—Communist Party of Chile.

BLAS ROCA—Communist Party of Cuba.

HERNAN LABORDE—Communist Party of Mexico.

JUAN PIRELA—Communist Party of Venezuela.

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THE UNITY OF THE AMERICAN DEMOCRACIES

BY CESAR VILAR

THE Congress of the Democracies, held in Montevideo, Uruguay, on March 20-24, took place at a time of profound sharpening of the international struggle between fascism and democracy. The Congress began its deliberations at the time of the betrayal of the Spanish Republic by the Defense Junta, of the conquest of Czechoslovakia and the annexation of Memel by Hitler. In Latin America the fascist offensive expressed itself in the attempt of General Rodriguez to place Peru under the rule of fascism by force of arms, the plot to conquer Patagonia, and the reactionary coup of Busch in Bolivia.

On the other hand, this Congress took place at a time when the forces of democracy were achieving new advances in the Americas; mainly, the victory of the Popular Front of Chile, the first efforts of the Popular Front government to carry its program into practice; the new advances of the democratic upsurge of Cuba; the advances and consolidation of the policies of President Cardenas in Mexico. These forces also achieved important, although partial, democratic advances in Argentina, Uruguay, Paraguay and other countries.

It was under these conditions of struggle between fascism and democracy that the Congress was held. By approaching the problems facing the countries of the continent, it strengthened the fundamental decisions of the Pan-American Conference of Lima. The Lima Conference, although marked by positive achievements, had shortcomings inherent in the character of certain delegations which represented governments that in their majority were not democratic, and therefore could not deal with the problems of democracy with the breadth and urgency demanded by the political moment.

In the Congress of Democracies the people themselves spoke. They demanded the alliance of the democracies of the Americas to render this hemisphere immune from the fascist plague, to consolidate and strengthen democracy in those countries where it exists, and to reestablish it in those countries where reaction rules. They also demanded unity of the Americas to contribute more effectively to the defense of world peace and to safeguard the independence of the peoples menaced by the fascist aggressors, and to strengthen American fraternity through the betterment of their mutual economic relations. They de-

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manded the alliance of the democracies of the Americas to support the Good Neighbor policy and to struggle for its consistent application, to encourage more and more the efforts of President Roosevelt for the defense of democracy and peace, and to struggle to open the vast frontiers of the American countries to the Spanish refugees and to all those persecuted by the ruthless and boundless cruelty of Hitler, Mussolini and Franco.

MONTEVIDEO RALLIED THE ANTI-FASCISTS OF THE AMERICAS

In this Congress the most genuinely democratic and anti-fascist forces of the Americas participated. Some of these forces, having achieved power, created democratic regimes which were the pride of Latin America, like the Batllista Party of Uruguay (the party which sponsored the Congress and initiated the call); the Independent Nationalist Party, the Socialist Party and others, from Uruguay; the Radical Civic Union, the Progressive Democratic Party, the Socialist Party, and other democratic forces, from Argentina. There also participated forces which today point the new paths of democracy in the Americas: the parties of the Popular Front of Chile; the Party of the Mexican Revolution; the Revolutionary Union Party and the Realist Revolutionary Party, of Cuba; Labor's Non-Partisan League, the American Labor Party and the Council for Pan-American Democracy, from the United States.

There were present, besides, democratic forces of countries where reactionary governments are ruling: the A.P.R.A.,* from Peru; the National Liberation Alliance, from Brazil.

There were also at the Congress representatives of many democratic parties and organizations from Paraguay, Bolivia and Venezuela.

The Communist Parties of the Americas, with the exception of the Party of Chile which is already part of that country's Popular Front, did not participate in the Congress; but during all the period of preparation they lent their warm and sustained collaboration, and their work was an important contribution to the success of the Congress in the direction of achieving the cementing of the democratic unity of the Americas against fascism.

The Congress received many messages of support from prominent persons, outstanding among them these former presidents: Marcelo T. de Alvear of Argentina; Ramón Grau San Martin of Cuba; and Velasco Ibarra of Ecuador.

THE CONGRESS UNFURLS THE BANNER OF THE STRUGGLE AGAINST FASCISM

The vandal policies of fascism have awakened the Americas and, above all, Latin America, which is one of the main objects of fascist covetousness and is in danger of falling under its sanguinary claws.

This has been proved by the events of late years in Brazil, Mexico, Chile, and recently in Peru and Bolivia. These events have shown how fascism brings economic pressure to bear on these countries through its native

* American Popular Revolutionary Alliance.

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agents, the great landlords and the most reactionary strata of the national bourgeoisie, as well as through the collaboration with British and American imperialist capital, preventing the development of the democratic movement in Latin America and opening the way for the work of fascism, aimed at ruling these countries rich in raw materials, which would be splendid sources of supply and strategic positions of great importance for the perspective of developing war.

This situation has become more serious with the conquest of Spain by international fascism, which intends to utilize the traditional cultural and economic ties of Latin America with Spain for the fascist aims in cooperation with the fascist forces on our continent. International fascism did not delay in reiterating its designs of conquest in Latin America, as shown by the statement of Mussolini declaring that the frontiers of Italy are in the Panama Canal, and from the mouth of Franco, when he raised the slogan of "reestablishment of the Spanish Empire." The fascist forces are trying to carry this design into practice immediately, as shown by their plans of conquering Patagonia and their military coup in Bolivia, where with shameless arrogance they aim to establish a war center in the very heart of South America and a base for operations against the Popular Front government of Chile.

The Congress of the Democracies, facing the sharpening fascist offensive, decided to recommend to the political parties and other democratic organizations a number of fundamental points, of which we note the following:

"1. To create organizations of struggle against fascism and its various manifestations, open or cloaked, in order: (a) to clarify the American masses and to bring pressure upon the governments to insure respect for the democratic institutions and to maintain peace; (b) to block the activities of the fascists by opening campaigns to obtain laws against the infiltration of totalitarian countries, both direct and indirect;

"2. To contribute to raise the sentiments for peace: (a) by building a fraternal consciousness, which will press the respective officials in all the activities of public instruction to develop it among children and the youth; (b) by preventing the carrying on in the public centers of learning, either in the open or in hiding, direct or indirect propaganda of a racist or fascist character of any kind; and (c) to prosecute by all legal means the institutions or establishments which refuse to abide by clause (b) until they are shut down;

"3. To promote the building of organizations of a popular character opposing fascism and to cooperate with those already existing: (a) to stimulate the consumption of national products or those proceeding from a democratic country, as substitute for products from fascist states as a means of defending the continent from economic or political aggression from fascist states; (b) to adopt on a continental scale the slogan: Use national products, and if the country does not produce them, buy products from the democratic nations; (c) to repudiate the barter agreements as means of trade exchanges between the American democracies and the totalitarian states."

One of the tasks demanding the maximum of attention, because of the great advances achieved by the fascist powers in penetrating Latin America with their exports, is the building of broad mass movements to boycott the fascist products. The first steps in this direction have been taken in the organization of Committees for Boycott in Argentina, Uruguay, Chile and other countries. But we must admit that the character of the economy

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of the Latin American countries compels them to import almost every manufactured product they consume. And since the prices of the products exported by the fascist states, based on barter agreements and dumping, are low, these products are much more accessible to the great majority of the population, which receives only miserable wages.

The boycott could and should gain a popular character. But, to make it effective, it is necessary that there be mass movements to see to it that the governments denounce the existing trade agreements with the fascist states and refrain from signing other new agreements.

At the same time, it is necessary to insure that the Good Neighbor policy be so developed that it will include such economic relations between the United States and Latin America, and among Latin American countries, as will make possible the supplying of this vast market.

The true anti-fascist character of the Congress may also be judged by the role that its decisions give to the working class in the struggle for democracy. Clause A of Section 7 of the resolution against fascism establishes that "the defense of democracy in every country can only be effective as a mass movement with the broadest possible participation of the working class and its organizations." This decision of the Congress, besides pointing the path of the struggle upon the basis of the mass movement, is a correct criticism of the putschist tendency of the Leftist groups, which only help to facilitate the activities of the Trotskyites and play into the hands of fascism.

The Congress showed a clear understanding of the fascist danger and of the forces that support it in the Americas. Its resolutions arm the anti-fascist masses and organizations to carry on a victorious fight that will block and crush fascism in the Americas.

THE SPIRIT OF THE GOOD NEIGHBOR POLICY PERMEATES LATIN AMERICAN DEMOCRACY

The Congress of the Democracies marks a new stage in the relations of the democracies of Latin America with the U.S.A.

In the past the democratic forces of Latin America faced, in their struggles for their demands, the policy of ruthless super-exploitation and domination of imperialism, which found its most violent expression in the activities of the powerful trusts of the U.S.A., leaning on the warships and bayonets of the government of the U.S.A.

The Good Neighbor policy, in the course of its application and due to certain inconsistencies, has had to overcome the resistance and distrust existing in the consciousness of the Latin American peoples.

Fascism and its Trotskyite agents have attempted to use this glorious tradition of heroic resistance to imperialism to place President Roosevelt on the same plane with the Wall Street exploiters, who continue to be the enemy of the peoples of Latin America and North America. The camp of fascists and Trotskyites try to point to the Good Neighbor policy as a new form of "imperialist penetration," in order to hide from the Latin American peoples the plans of

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fascism and thus facilitate their conquest.

The resolutions of the Congress give their frank approval to the Good Neighbor policy. In this direction it was established that "at this time the world is divided into two camps—the camp of the great democracies and the camp of autocracies—and the President of the U.S.A., Franklin D. Roosevelt, has placed himself in the vanguard of the defenders of democracy; that he has assumed this attitude, not in isolated and accidental circumstances, but in a firm and vigorous manner." After pointing to excerpts from speeches and attitudes of President Roosevelt, the Congress resolves: (1) to place in an outstanding manner before the attention of the continent the principles enunciated by President Roosevelt in defense of democracy and peace; (2) to demand for that attitude the stimulus and the support of all the democratic forces of America: political parties, social and cultural organizations.

The policy of the Good Neighbor is, as stated by the Secretary of the Socialist Party of Argentina, and Deputy Americo Ghioldi, "the attitude of the government of the U.S.A. in regards to Canada, the abolition of the Platt Amendment, the withdrawal of the American Marines from several countries in the Caribbean." But, furthermore, Roosevelt's Good Neighbor policy, if consistently developed, can be made to counteract the economic pressure of the fascists with a policy of loans that will permit the normal development of the economy of these countries and the prosperity of their peoples.

The Congress found that the big parties of Latin America and the broadest masses, with the exception of the main leaders of the A.P.R.A. of Peru, understand and support the policies of President Roosevelt. Even in a complex situation as in Argentina, where they are trying to sign a commercial treaty that the reactionaries in the U.S.A. are attempting to block, the people recognize differences between the reactionaries and President Roosevelt.

There are small Leftist groups within several parties and a few leaders who have fallen under the influence of Trotskyites and certain Aprista leaders, who, in the majority of cases, combat Roosevelt's policies with the same arguments of fascism.

Nevertheless, the most outstanding leader of the A.P.R.A. in the Congress, Manuel Seoane, in his speech at the inauguration of the Congress, admitted the difference between the Good Neighbor policy and the policies of the most reactionary sections of imperialism. It is to be expected that his position will strengthen the currents within the A.P.R.A. that are orienting themselves toward a firm policy of collaboration with the democratic forces in the U.S.A., expressed in the Good Neighbor policy.

The presidents of the delegations, expressing the unanimous will of the delegations, showed from the first moment that the main enemy of the peoples of the continent at the present moment is fascism, and that all forces should be concentrated against it until it is exterminated. But the Congress declared also that the struggle against British and Wall Street imperialisms must be continued and strengthened. An irrefutable proof of

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the anti-imperialist line of the Congress is the resolution adopted on the situation of Puerto Rico, which declared "its firm support to the demand for independence of Puerto Rico, and to entrust the Provisional Bureau of the Confederation of the Democracies of America with the execution of the present resolution in the most consistent and effective manner."

The Good Neighbor policy has made it more readily possible for the democratic forces of the continent to understand more and more every day that to crush fascism, to maintain and extend democracy, to advance the economic, political and cultural development of the peoples of Latin America, it is necessary for the Latin American peoples to march closely united with the labor, democratic and progressive movement in the U.S.A., and that this will permit the broadening of the Good Neighbor policy.

FOR A TRUE RECIPROCITY IN ECONOMIC RELATIONS

The Congress dealt extensively with the economic problems affecting the peoples of Latin America from the point of view of: the miserable conditions of the toiling masses and the way to their amelioration; the economic structure of the various countries and their restricted internal market; and, thirdly, the economic offensive of fascism.

The most important aspect of their deliberations was that dealing with the weak development of industrialization in the Latin American countries and its great advance in the U.S.A. It also took into consideration the various characteristics of the U.S.A. and of the countries of Central and South America. Furthermore, it considered how the economy of each can supplement the other and reciprocally contribute to their development.

The industrial development and the building of heavy industry in the countries of Latin America would insure the economic and political independence of these countries and a greater market for the U.S.A.

The problem of finding a market for their production is something that agitates these peoples. The Congress, taking this into consideration, recommends: "a greater intensification of the commercial relations among the Latin American countries and of these countries with those of North America and chiefly with the U.S.A."

To this end, these countries should sign commercial treaties with the U.S.A. and the democratic nations of the world, on a plane of equality and mutual advantage to the peoples of the contracting countries.

In Argentina, Chile and Uruguay numerous organizations and several dailies, like *La Prensa* of Buenos Aires, raise the necessity for establishing relations with the Soviet Union.

Commercial treaties and the granting of loans by the U.S.A. are two questions that move the peoples of Central and South America: loans without limiting the sovereignty of these countries, with long terms and low interest, for the development of public works, of various industries, and of defensive preparations. This would improve the economic conditions of these countries and protect those which at present are in danger of falling under the control of fascism. It would strengthen the Good Neighbor policy and the fraternal re-

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lations of the peoples on the continent.

THE BROAD AND INTERNATIONAL CHARACTER OF THE CONGRESS

The Congress did not limit itself to problems of the Americas; it was a high tribune for the fraternal relations that should exist among all the peoples.

Its main preoccupation in this direction was the problem of solidarity with the Spanish Republic on the basis of the new problems surging from the new situation. Also stressed were solidarity with the victims of fascist persecutions, and solidarity with China and the other countries attacked by fascism.

The resolution on the "new direction of the aid to Spain," starts by saying: "The Congress of the Democracies of America, on initiating its deliberations, projects its thought toward mother Spain, in whose immense tragedy are being shaped the civil and social destinies of the world."

The war in Spain and the sympathies of the masses of the peoples for Loyalist Spain made sharply clear the divorce existing between a series of governments and their peoples. The resolution criticizes those governments which did not listen to the clamor of their peoples and abandoned the republic, placing themselves practically on the side of the aggressors.

And it ends as follows: "The Congress suggests that all the countries of America open their doors and offer the hospitality of their fertile lands to the Spaniards who have been forced to abandon their lands to escape reprisals and the oppression of despotism; and they should practice a policy of isolating the menacing Iberian Empire, which is attempting to rebuild the regressive peninsular [Spanish] forces."

The resolution of the Congress of the Democracies and those adopted by the Conference of Representatives of the Movement to Aid Spain, held later in the city of Buenos Aires, facilitate the development of intense and broad work to solve, in the first place, the fundamental pressing humane problem of the Spanish refugees.

The Congress resolved: "to express to the people and the army of China their deep sympathy and their broadest solidarity, confident of their definitive triumph over the aggressors."

Recalling the thousands of political prisoners and persecuted persons on the American Continent, the Congress resolved: "to establish a permanent Committee of American Jurists, that should undertake the technical defense of individual freedom and of the right of asylum for all those persons persecuted because of their political and social ideas in the various countries of America."

The causes determining the formation of this committee show how indispensable and urgent are its organization and function. This committee, because of the character of its work, may enroll organizations and persons not yet touched by the democratic movement. Counting on the support of the organizations for solidarity, and on the democratic forces, it is possible to raise mass movements that will return to freedom Luis Carlos Prestes, Rodolfo Ghioldi, Albizu Cam-

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pos and the other political prisoners of the continent, as well as stop the deportations of hundreds of militants of the trade unions or of the anti-fascist movement, who many times fall into the claws of Hitler or Mussolini.

The Congress dealt with numerous problems of present importance and demanding immediate action—problems of trade unions, of youth, of women, etc.

The Congress favored the broadest freedom for the trade unions, requesting, furthermore, the support of the democratic parties for the trade unions, without requiring that because of this support the trade unions must help the democratic parties in the elections. At the same time it pointed out that "the trade unions cannot be indifferent to any political question relating to democracy and the interests of the workers."

The problems of youth were dealt with in the spirit of the resolution of the Second World Youth Congress, which stated "its sympathy with the noble democratic inspiration and inspiration to struggle for ideals of justice and peace, as shown in the international movement supporting the World Youth Congress."

The problems of women had their just place in the Congress, where numerous women delegates were present. The central question of the resolution adopted on the women is the equality between the sexes and the support for all the measures that tend to establish it. Further, the Congress "extends a vote of sympathy for the Women's Inter-American Congress for Peace and Democracy, to be held in September, 1939, in Mexico City."

BUILDING THE ALLIANCE OF THE AMERICAS

The Congress tried, not only to find a solution to the problems of democracy in the Americas and how to keep our hemisphere clean of the fascist plague, but at the same time build an American organization to pursue the struggle, to consolidate and broaden the relations of the Latin American peoples with the U.S.A. and the help of the Americas to the victims of fascist aggression, establishing the alliance of the Americas.

The Congress resolved:

". . . to build the alliance of the Americas by: (a) building the Confederation of the Democracies of the Americas, composed of all the democratic parties of the continent; and (b) exhorting the popular forces of the hemisphere to initiate in their respective countries national movements tending to achieve or demand joint action of the states in favor of the defense of the sovereignty and the integrity of the American countries, in accordance with their respective means and necessities, applying, in the first place, economic, political and cultural methods of defense; actions of solidarity against the interference of the totalitarian countries in the life of America; and the broadening of the Good Neighbor policy, especially with respect to the principle of exercising full sovereignty of the peoples, against the principles of extraterritorial rights of isolated individuals, minorities or economic interests."

The Congress gave a correct perspective for the alliance of the states that will determine a greater security for the sovereignty and integrity of the American countries. As an undertaking of immediate defense, it establishes in the first place economic, political and cultural measures; but, in the declaration on the defense of

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democracy, it states: "Our peoples must be alert and ready, without waiting for a state of war and without excluding, in case of necessity, the use of arms." This correct declaration is based on events that have taken place on the continent. The invasion of some of the American countries by the totalitarian powers cannot be considered as impossible.

Experience shows that fascism, for the realization of its plans in the American continent, orientates itself along the same direction as in Spain; that is, to utilize native elements in each country as agents to try to cloak its wars of invasion and conquest. Today nobody doubts the connection of the putschists in Brazil, Chile, Mexico, Bolivia and Peru with international fascism.

They take advantage of the Latin American putschist traditions of *coups d'état,* that originate in the low level of organization of the masses and in the influence of bourgeois and petty-bourgeois ideologies, to create restlessness, disorder and the realization of coups by individuals and by the army. In such events, the axis powers will immediately give help with men and war material to any armed movement initiated by the fascists.

It is indispensable to prevent the repetition of the crime committed against the Spanish republic, where the anti-fascist forces of the world for more than two years demanded without success the opening of the French frontier and the lifting of the arms embargo by the U.S.A. The American nations must give their full help from the very beginning to any one of them attacked by fascism, so as to crush it as rapidly as possible. This will be easier if, besides the alliance of the democratic parties and organizations, there is established an alliance of the states for the defense of their sovereignty and the integrity of their territories, as the Lima declaration demands. This raises the urgent need for the unification of the democratic forces in every country to defeat reaction.

The organizing of the Confederation of the Democracies of the Americas is the first step toward the establishment of true, democratic Pan-Americanism.

In spite of the importance of the Congress and of the time elapsed between the call and the convening, the masses of the continent were not mobilized for the Congress.

One of the greatest weaknesses was the absence of representatives of the democratic forces of the Central American countries, a majority of which are suffering under reactionary and autocratic regimes. It is to be lamented that the Liberal Party of Colombia was not represented, nor the democratic forces of Canada, which must definitively be incorporated in the alliance of the Americas.

SECOND CONGRESS OF THE DEMOCRACIES OF THE AMERICAS

The Congress resolved to hold the next Congress of the Democracies of the Americas on September 20, 1940, in the city of Washington, D. C.

For the organization of the National Committee of the U.S.A., which has been entrusted with the preparation of the Second Congress, there were appointed Miss Kathryn Lewis, of the U.S.A.; Vicente Lombardo To-

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ledano and Rodolfo Piña Soria, of Mexico; and Eduardo Hubner, of Chile.

The establishment of the national committees will facilitate the popularization of the resolutions of the Congress of Montevideo. At the same time the committees will be useful for the preparation of the Second Congress.

The advances of the trade union movement and its participation in the popularization of the resolutions, above all those affecting it directly, assure a greater representation in the next Congress.

The same thing may be said about the organizations of the youth, women, intellectuals, etc.

The fact that during the period of preparation of the Second Congress general elections will be held in the U.S.A., Mexico, Cuba and Peru; and partial elections, but of decisive political importance, in Argentina, provides a broad field of action for the development of an intensive activity in connection with the Second Congress. The struggle carried on by the democratic forces of these countries, if they are victorious as it is to be expected, will be a great contribution to the Second Congress. From this Congress the Confederation of the Democracies of the Americas must come forth consolidated, a confederation capable of being the most effective instrument to make the American continent, without isolations of any kind, an insurmountable barrier against fascism and a bulwark for world democracy and peace.

"The time is long past when our country knew unemployment, from which so many millions of workers suffer under capitalism today. The time is long past when there were so many villages in our countryside with such appropriate names as Starvehurst and Hungryville. A good third of the peasants, if not more, were chronically undernourished and could never hope to improve their condition under the old regime. If capitalism had been preserved in our country, it would have had today, like every capitalist country, many a million unemployed in the towns and tens of millions of hungry and semi-ruined peasants in the countryside. But we have now definitely left that state of affairs behind us and are making plans for a rise in the national standard of living which no country, even the richest and capitalistically most developed, can dream of, and which will fully meet the rapidly growing demands of the working people of town and country."—V. Molotov, *The Soviet Union in 1942: The Third Five-Year Plan*, p. 69.

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BRING THE NEW DEAL TO PUERTO RICO

BY JAMES W. FORD

THE removal of Major-General Blanton Winship as Governor of Puerto Rico is a victory for the Puerto Rican people. Long overdue, it opens up the possibility of a real change in policy, of an end to the brutal oppression, savage exploitation and frustration of educational and cultural opportunities which the Winship regime has enforced. But it is important for us in the United States to understand that not only the well-being of the Puerto Rican people is at stake. A New Deal policy for Puerto Rico is a necessity not only in order to ameliorate the conditions of the inhabitants of that Pearl of the Caribbean, but also in order to safeguard the New Deal at home. This is true because of the strategic position which Puerto Rico occupies in several important respects.

First, Puerto Rico is geographically of strategic importance. Its proximity to the Panama Canal, Central America generally, and the northern part of South America, makes it a vital base of Western Hemisphere defense, including the defense of North America. This is why both German and Italian fascism covet it so dearly, as the next stepping-stone from Europe after the Azores.

Second, it is likewise of great strategic importance politically. The only part of Latin America under direct United States government control (the Canal Zone is a wedge in, rather than a part of, Latin America), it is actually a testing ground of the Good Neighbor policy. Unless at least the minimum needs of the Puerto Rican people are satisfied, it will be extremely difficult for the United States to play its necessary leading role in the organization of Western Hemisphere unity for defense against fascist aggression. Already the fascists and Trotskyites, under all kinds of disguises, attempt to use the plight of Puerto Rico to discredit the Good Neighbor policy among some sections of Latin American people. They must be rescued from that plight by active, positive measures, if the peoples of the Americas are to be made to realize that the laments of the fascists are crocodile tears.

Third, Puerto Rico is a test of the New Deal's policy with respect to monopolies. Here, the Wall Street reactionaries have most freely carried on their boldest and most vicious practices. If they are permitted to continue to thrive and grow fat in Puerto Rico, it will be so much the harder to break their grip at home.

The strivings of the Puerto Rican people, and of such alert fighters for

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democracy as Representative Vito Marcantonio, which have resulted in Winship's removal, have performed a signal service, therefore, to the entire hemisphere. On September 1, Admiral Leahy, whom President Roosevelt has appointed to succeed Winship, will take office as Governor. Let us see what the situation is that will confront him, if he is to be a true representative of the U. S. in bringing the New Deal to Puerto Rico.

"THE RICH PORT"

To begin with, there is a background of centuries of oppression and misrule. The Spanish monarchy and feudal lords never permitted Puerto Rico to develop into a prosperous country. For four hundred years it was simply a "Rich Port" for marauders and despoilers; a military post in the imperial chain. Modern industry was not allowed to enter, popular education did not exist, the people were forced into conditions of medieval backwardness even harsher than those under which the masses of Spain itself suffered.

This country of 3,612 square miles, populated by 1,700,000 people, was transformed by Wall Street, when the United States took it over at the turn of the century, into a vast sugar factory. Eighty per cent of its wealth is controlled by Wall Street. Not only the 48,000 acres of cultivated land, but virtually the whole of what native industry has been permitted to develop, produce commodities not for home needs but for export.

The rate of exploitation is almost incredible. The sugar barons are dropping wages to 12 and 14 cents an hour, breaking labor contracts. Workers who demand 25 cents an hour are fired. Those who have been receiving $12 a week are threatened with a reduction to $6; those who work for $4 or $6 a week for half time are offered $3 a week for full time. Sixty thousand homeworkers in the needle trades industry average 81 cents a week. The lowest paid group are those making hand-rolled handkerchiefs. They receive five cents for rolling one dozen handkerchiefs; it takes two days to roll five dozen. And these same handkerchiefs sell for 25 cents apiece at Macy's, in New York City! Thus, the principal product of this industry is malnutrition, starvation, death.

The agrarian crisis, which began in 1921, has had a terrible effect on a people who depend so heavily on export of their agricultural product, and must import 80 per cent of their needs. In this situation, the Wall Street policies were to be seen in their most brutal and naked form. Thousands upon thousands of small farms were foreclosed; small businesses and industries were driven into bankruptcy. The shift of ruined farmers to the urban centers, and the impoverishment of the city middle classes, created a new mass of virtually destitute city dwellers. Unemployment has reached half the working population. Fifty per cent of the people are victims of the parasites of tropical disease. The effects of the catastrophic economic crisis have been intensified by the hurricanes of 1928 and 1932, which devastated the country.

Meanwhile, Ex-Governor Winship made himself the ally of the reaction-

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ary monopolists. The minimum wage law for women and children, which would have protected the 60,000 homeworkers of the needle trades, as well as many others, has been almost completely disregarded, both by Winship and the corrupt courts, which share with him both the duty of enforcing the law and an eager subservience to Wall Street. Again Winship speaks with the voice of the Chambers of Commerce, the National Association of Manufacturers, as he opposes the operation of the Wages-and-Hours law in Puerto Rico. But unlike his fellow spokesmen of reaction, the Hoovers, Vandenbergs, Tydingses and Dieses, Winship has represented *reaction in power*. His opposition took active form. For example, he was instrumental in forcing the resignation of the Wages-and-Hours administrator. He has completely ignored the 500-Acre Act, a part of the Constitutional Organic Act of Puerto Rico. This basic Act would, if enforced, seriously challenge the present monopoly of the land by the bankers and sugar barons. And Winship has unleashed upon those who have resisted these policies a campaign of terror that matches the worst that Old Spain visited upon the people. Civil liberties have been abrogated; popular leaders have been jailed; peaceful demonstrations have been fired upon with murderous effect.

THE PEOPLE STRUGGLE FOR A NEW DEAL

Nevertheless, the valiant people of Puerto Rico, with a background of the best of Spanish culture and the important contribution of the Negro people, have not been daunted. They have resisted with energy and growing effectiveness.

One year ago a general strike of the waterfront workers paralyzed all business on the entire Island. Supported by the National Maritime Union of the U. S. A., it resulted in increased wages and union recognition. Successful, too, was the salt mine strike, involving 500 workers. The great transportation strike against the White Star Line, although betrayed by the bureaucratic leaders of the Federacion Libre, was another demonstration of the broad desire to struggle against intolerable conditions, despite the odds. A few weeks ago, 20,000 agricultural workers struck and gained union recognition and a minimum wage of 20 cents an hour.

These struggles of the workers also inspired progressive movements of other sorts, as they so often do. At Mayaguez, one of the largest industrial centers, a consumers' strike against the light and power monopoly was called, and was followed by three successive mass demonstrations demanding the nationalization of the light and power industry.

In December, 1938, in San Juan, an unemployed demonstration forced the City Manager to address the jobless and promise "Home Relief." Following this demonstration, there were mass actions of the unemployed in almost every large city. In Viequez, the whole city administration was forced to go to Winship and demand immediate relief. In Caguas, a march to the capitol was organized. The movement spread like wildfire to every one of the 72 cities, towns and villages throughout the Island.

The culmination of this movement

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was the National Unemployed Congress which took place in the Spring of this year. Six hundred delegates, representing 48 communities and 200,000 people, demanded: (1) relief; (2) the creation of local industries to use the Island's raw materials; (3) social insurance; (4) distribution of uncultivated land among the jobless; (5) government purchase of surplus products for distribution among the unemployed; (6) support of the farmers; and (7), endorsement of the Wages-and-Hours Law.

But this Congress, with its basic program which every progressive can support, is only one manifestation of the democratic upsurge. Every section of the people has shown signs of growing political consciousness.

The most striking sign of this is the still more recent Puerto Rican Economic Congress. This Congress was called on the initiative of the national bourgeoisie, leaders of native industry, agriculture and commerce. Their fear of the mass movement led them to invite Winship and other representatives of Wall Street imperialism, with which they inevitably have ties; but it was not only their fear which prompted them to invite also the representatives of the people: it was the anxiety, which they to a considerable extent share with the masses, for the future of Puerto Rico. Seventy-six national organizations were represented, by ten delegates each.

It is significant that the first issue considered was unemployment. The program adopted was: relief for the unemployed, protection of Puerto Rican industries, cancellation of all debts contracted by the farmers as a result of the hurricanes, vocational education, birth control, construction of projects, minimum wages for factory workers and special protective legislation for home workers, the sending of a delegation to Washington to discuss conditions in Puerto Rico.

Unquestionably this program has shortcomings. It fails to call for support of the Wages-and-Hours Bill; its resolution on wages does not include the bulk of the agricultural workers; it ignores the 500-Acre Act, around which a fight has been developed in the Island by Fernandez Garcia, a progressive Attorney General and an appointee of President Roosevelt; it fails to give voice to the insistent demand of the Puerto Rican people for the right to education in Spanish. This is a right which they must have if they are not to be cut off from one another, from their cultural fellow peoples and political allies in Latin America, indeed, from their very cultural roots, which lie deep in the soil of Spanish language and traditions.

But the program that was adopted represents a basis for a national unification movement, a program around which the whole people can rally in a democratic front. The firm establishment of that front, and the further development of the program, require what was lacking in this Congress: the existence of a unified, independent, and more highly organized movement of the more advanced progressive and revolutionary forces. And the organization of such a movement is now recognized by the Communist Party of Puerto Rico as its central task, as the contribution which it can make to the struggle,

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not only of the Puerto Rican people, but of the democratic masses of the whole hemisphere.

THE TASKS OF THE NEW DEAL

The struggles of the Puerto Rican people, and the program which they have already worked out, indicate the character of the main tasks that confront the New Deal in Puerto Rico. First, there must be relief: the $3,000,000 appropriation for Puerto Rico which the reactionaries in Congress have shamelessly blocked must be passed.

Secondly, the agricultural economy must be bolstered. To begin with, the policies of the A.A.A. must be modified so that they will really aid the masses of the farm population. Up to now the A.A.A. has poured huge sums into the hands of the Puerto Rican sugar barons in somewhat the same way it did in the South of the United States where the largest share of its huge expenditures went to the big landlords, while the sharecroppers, tenants and poor farmers never got what was intended for them. More basically, the land must be given back to the people, whether through the application of the existing 500-Acre Law or through other measures. The farmers must be helped with credits for cattle, seed, fertilizer, farm machinery, etc. Puerto Rican economic reconstruction depends fundamentally on the building of an internal market, which, in turn, depends on the creation of a stratum of independent farmers producing for Puerto Rican consumption in the first place.

Thirdly, native industry must be stimulated: tariff regulations which stifle the economic life of Puerto Rico must be abolished.

Fourthly, the social legislation of the New Deal must be extended to Puerto Rico. This includes: social insurance; a health program backed by sufficient money to cope with the present ghastly situation; increased aid to education; and, especially, a change in policy with respect to the question of education in the Spanish language.

Fifthly, and of the most pressing importance, the Wages-and-Hours Law must be extended to Puerto Rico. The efforts of the reactionaries in Congress to exempt Puerto Rico from the application of the law must be blocked. Such exemption would be a calamity for the Puerto Rican people, and a tremendous threat to the living standards of workers in the United States as well.

One has but to review this perspective to realize how vital it was that Blanton Winship be removed, if the tasks indicated were ever to be carried out. Indeed, it was precisely the struggles of the Puerto Rican people for such a program that exerted such powerful influence in bringing about Winship's removal—these and the activities of the friends of the Puerto Rican people in the United States. By his militant fight for the removal of Winship, Representative Vito Marcantonio has fulfilled a major promise to the people of his district, Harlem; to the Puerto Ricans, Italians, Negroes, Jewish people, and other national groups which elected him to Congress. Harlem also showed its interest in Puerto Rico by electing to the State Assembly the progressive Oscar Garcia-Rivera, the first Puerto Rican ever to be elected to that body.

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FOR DEMOCRACY AND ECONOMIC RECONSTRUCTION

The force of public opinion not only in Harlem, however, but in the whole United States must be aroused to insure that the New Deal will be brought to Puerto Rico. Nothing less than the successful development of the Good Neighbor policy is at stake. Thus far, the reactionaries of every kind, dividing their roles according to a classic pattern, have had things largely their own way in the Island. The Wall Street monopolists have squeezed out the very life-blood of the Puerto Rican people by a policy of brutal super-exploitation which takes out everything and returns nothing. The Winships, whom President Roosevelt should long since have cracked down upon, have, by a regime of murderous terror, sought to prevent any effective redress of grievances, and have plunged the country into misery, chaos and confusion. And the Trotskyites, Fifth Columnists, Spanish Falangists have seized upon this confusion, and deepened it. They revel in this confusion, because it makes it much more difficult for the people to see through their demagogic contention, so valuable to fascism, that the people of Puerto Rico —of Latin America generally—have nothing to hope for from the Roosevelt Administration, from the Good Neighbor policy. Under the pressure of Wall Street and Winship, in the grip of a terrible crisis, even some sincere anti-imperialists have been influenced by the Trotskyites and fascists with their crocodile tears about Puerto Rico's future.

A grave danger for the democratic unity of the Puerto Rican people is the way the axis powers are exploiting the slogan of self-determination. As the most sincere and tested fighter for the national freedom of all peoples, the Communist Party opposes the misuse of this slogan by the enemies of the people for the purpose of converting Puerto Rico into an outpost for fascist subjugation of the peoples of the Americas. It is significant that at this very moment Franco, the stooge of Hitler and Mussolini, has come out for the "rebuilding of the Spanish Empire." Significant, too, is the fact that the American sugar monopolists, by their economic sabotage, help the Spanish Phalanx and the Trotskyites in their work of undermining and treason rather than permit the New Deal really and seriously to solve the problems of the Puerto Rican people.

The fight for democracy and economic reconstruction is part of the fight for independence. This means today *to extend the New Deal to Puerto Rico.* This requires the united pressure of an aroused people, together with its democratic allies throughout the continent. Independence cannot be counterposed to the New Deal and the Good Neighbor policy, as the fascists and Trotskyites try to do. Unity for the New Deal today is the road towards self-determination tomorrow.

The forces of labor and progress, all democratic forces in the United States can fulfill their own interests only by being true to the great responsibility they bear to the Puerto Rican people. Forty years ago, General Miles, upon entering Puerto Rico, made the solemn declaration:

"The people of the U.S., in the cause of

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liberty, justice and humanity . . . come bearing the banner of freedom, inspired by a noble purpose . . . [to] bring to you the fostering arm of a nation of free people, whose greatest power is in justice and humanity to all living within its fold . . . not to make war upon the people of a country, which for centuries has been oppressed, but to bring you protection, not only to yourselves but to your property, to promote your prosperity, and to bestow upon you the immunities and blessings of the liberal institutions of our government . . . to give to all the advantages and blessings of enlightened civilization."

It would be a mistake to look upon this declaration as simple demagogy, a hypocritical mask for imperialist designs. No; although betrayed by the greed of the new-born imperialism, this declaration is an expression of the real sentiments of the American people. Anyone who wishes to verify that these are still their sentiments has but to observe their enthusiastic response to each new unfolding of President Roosevelt's Good Neighbor policy. It is the task of labor and all progressive forces to put the whole weight of a democratic people behind these words and the Good Neighbor policy. This obligation is in consonance with the democratic traditions of our country. These declarations that flow out of the founding of democracy in our country, out of the Declaration of Independence and the consolidation of the Union in 1861-65, were not only ennobling principles for continental United States, but had far-reaching application throughout the Western Hemisphere. Did not Benito Juarez, President of Mexico, draw succor and inspiration from Lincoln and the basic ideals of our country? Did not these principles of freedom and democracy aid in driving monarchy and absolutism from Mexico? The Good Neighbor policy is thus the new stage of the struggle to extend and preserve democracy in this hemisphere. Only by the application of a real Good Neighbor policy can the United States ensure the fraternal cooperation of the Puerto Rican people as allies to resist fascist penetration and aggression in our hemisphere. The national interests of the United States demand that the government and the people adopt a positive and helpful attitude towards the legitimate demands of the Puerto Rican people, a policy of friendship, understanding, sympathy and fraternity.

The Communist Party of Puerto Rico is the most valiant fighter for the well-being of the Puerto Rican people. It recognizes that for Puerto Rico, as for all small nations and semi-colonial peoples, it is not only the cause of the working class, but also the national cause of the people as a whole, around which the masses must be rallied if they are to make certain their road to freedom. In leading the people towards national unity against reaction and fascism, the Communist Party of Puerto Rico ever points to the allies which the Puerto Rican people have in the United States. It is now more than ever the duty of Communists in the United States to organize those allies, for the strengthening of the Good Neighbor policy by bringing the New Deal to Puerto Rico.

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FASCISM IN SPAIN AND THE LATIN AMERICAN PEOPLES

BY F. LACERDA

GERMAN fascism is systematically seeking to penetrate the Latin American countries and to undermine their independence. The conquest of Spain by the fascists is not only a blow dealt at France, but also one against the Latin American peoples.

As early as in October, 1938, Comrade Browder stated:

> "Having closed the doors of Europe against the U.S.A., fascism hopes in Spain to secure the key to the great Latin American continent, which, with the collaboration or the neutrality of the British navy, it considers ripe for conquest, and with the strengthening of the hands of Japanese imperialism they hope to close the doors of the Pacific." *

Immediately after the occupation of Catalonia the Hitler press, in a number of honeyed articles, began to describe the great advantages which would accrue to the Latin American peoples from Franco's victory in Spain.

The generalissimo of treachery himself described with ample clarity of what these "advantages" consisted in an interview with the Argentine bourgeois daily, *La Prensa,* in November, 1936. Franco then promised to "restore" the Spanish empire, the "forgotten universality of Spain," the "pride of race" and "power of caste." He admitted that the Latin American peoples, "who had developed in the atmosphere of the Encyclopaedists and of Liberalism," would resist this return to the Middle Ages; but, added this willing fascist lackey, he would "break down all obstacles by the force of speech and the power of race."

The "Spanish Falangists," fascist groups which have been organized by rich friends of Franco in the Latin American countries, are busily engaged in supporting the agents of Hitler and Mussolini in Latin America to accomplish this program of Franco's. In 1937 they published in the Argentine their plan of action, in which they stated that their aim was to "coordinate culture, industry and the state power" of the Latin American countries which were called upon to become "the spiritual axis of the entire Spanish world." In Cuba, they troubled even less to conceal their aims, proclaiming in the *Teatro Nacional* of February 5 last:

> "The Spanish empire has laid down its path and will regain its colonies. The Franco government will help its national minorities."

Nothing could be clearer than this, Franco wishes to restore the colonial

* *World News and Views,* Vol. 18, No. 52, October 29, 1938.

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empire and the grandee rule of Charles V and Philip II, that rule which the peoples of Latin America, influenced by the French Revolution, overthrew in the heroic struggles of the early nineteenth century. But nowadays Franco does not even wish to reestablish merely a Spanish empire; for the rule which Franco desires to enforce upon the Latin American peoples by means of the "power of race" would be just as little Spanish as is the brutal domination which German and Italian fascism is now establishing in Spain.

On February 13 a certain Baron Werner von Rheinhauben, in the course of an address in the Iberian-American Institute of Berlin, defined some of the requirements which Hitler is making of Franco. Germany wants Franco Spain to aid it in its struggle in Latin America "against the anti-Nazi campaign of the United States." This demand, as voiced by a German fascist, implies: aid to prevent the democratic forces of the United States strengthening the resistance of the South and Central American states which are threatened by fascist ambitions.

It is not an accident that these ambitions have been becoming more and more insolent, as fascist intervention in Spain has advanced. The plans of conquest of the fascist axis in South America were never more openly admitted than they have been since the summer of 1938. The agents in Latin America of Berlin, Rome and Tokio are continually increasing their undermining activities. One must not forget that there are Germans, or persons whose parents or grandparents were German, living in settled areas of South America to the following extent: In the three southern states of Brazil, 800,000; in northern Argentina and Patagonia, between 200,000 and 300,000; and in southern Chile, 15,000. In the Argentine, Brazil and Uruguay live some 3,000,000 people whose native tongue is Italian. And there are 400,000 Japanese in Brazil, Paraguay, Peru and Bolivia.

All these people live in more or less self-contained "colonies" in the South American countries and are continually under the influence and control of spies and special emissaries, frequently masquerading as technicians, teachers or tourists, from Germany, Italy or Japan. In those areas where there are large communities of German-speaking people, an active propaganda is carried on by means of newspapers, books and leaflets, and even of maps upon which the particular area inhabited by the community in question is marked out as that for which Hitler will demand "minority rights" just as he did for the Sudeten territory. Postcards are openly distributed and used such as those which the Socialist deputies, Taborda and Dickmann, displayed in the Argentine parliament in June and July, 1938, and upon which may be read: "Germany must become master of half of South America!" or: "Degenerated nations, such as Brazil and Argentina, like all the other South American countries, will be brought to reason by force or other means."

Similar sentiments may be discovered in the book *Gross-Deutschland* by Otto Richard Tanneberg, about which the Left democratic Uruguayan newspaper, *El Dia*, has published a warning article. In this

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book a map is published in which South America is divided into three regions. The southernmost section—consisting of the Argentine, Uruguay, Paraguay, Chile, the three southern states of Brazil and the south of Bolivia and Peru—is described as a future German "protectorate."

In the Argentine Nazi headquarters a complete plan for the conquest of South America was discovered, to be led up to through anti-democratic campaigns, terrorism, separatist movements, anti-Jewish pogroms, and so on. Attempts have already begun to put this program into operation.

Last January, the Argentine and Uruguayan press noted the arrival of considerable numbers of "tourists" and "businessmen" from Germany. Among them were: the Duke of Mecklenburg, member of the Reich economic council, with a large entourage, which included the organizer of the murder of Roehm (they visited the "German colonies" in northern Argentina and then proceeded to Patagonia); Walter Prang, of the German transport ministry; Franz von Papen, son of the ex-chancellor and a well-known Nazi "political expert"; Wilhelm Forst, director of the Deutsche Bank which provides the funds for the organization of Nazi bodies and activities in Latin America; and Eduard August Petersohn, avowed member of the Gestapo.

A few days after the arrival of these extremely important "tourists" the entire Latin American press reported the discovery of a "separatist" movement in Patagonia—that important area, said to be rich in oil deposits, which controls also the passage between the Atlantic and Pacific—and stated that the axis countries had a hand in the game. The "Committee for the Autonomy and Development of the Patagonian Region" revealed last January and February that a foreign country had taken advantage of the indifference shown by the Argentine government towards this area and its population in order to carry on active propaganda on behalf of the separation of this region from the Republic. According to the exposed Nazi plans, Argentine Patagonia, together with the neighboring Chilean Patagonian area, where Nazi groups already exist, are to form "United Totalitarian States of South America."

The chairman and secretary of the above-mentioned committee, Dr. Albert Grassi and Manuel Raoul Lopez, in interviews with the democratic press, revealed further details of the Nazi plan. The chief organizers of the plan, they said, were German "tourists" who came from the north of the Argentine and Chile. One of them, one Karl Fürst, even visited Dr. Grassi and promised him the support of Germany, Italy and Japan for a separatist movement.

Charles Thomson, an American expert on South America, after his return from Brazil, stated in a lecture in New York that a prominent Brazilian—whose name he did not disclose—had informed him that official representatives of the Nazis had attempted to persuade the authorities of the state of Rio Grande do Sul (southernmost state of the federal Republic of Brazil) to secede from Brazil and to place the state under German protection. Military assistance, it was promised, would be forthcoming from Germany, Italy and Japan.

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Not many months ago, we witnessed in Peru the uprising of General Rodriguez and the Italian officers who had been sent to Peru by the Italian secret police, the Ovra, to reorganize the Peruvian police system. This uprising was organized by arrangement with Miro Casado Bentini who had previously been in Rome and who was openly out to thwart even the extremely hesitant approach of Peruvian dictator Benavidez towards President Roosevelt's anti-fascist policy.

In Chile the agents of the fascist axis hope to reverse the victory of the People's Front, which has frustrated their plans. The former Japanese minister in Chile, Mr. Tetziura Miyaka, stated on January 14 in Los Angeles, when on his way home, that:

". . . the forces of the Right in Chile are equipping themselves politically to overthrow the President of the Radicals. It is merely a matter of time before the revolution begins. It will take place not through the ballot-box but by force."

In Colombia, where a democratic regime stands in the way of the expansionism of the fascist powers, Amadeu Rodriguez, leader of the reactionary landowners' party and also of a recently organized fascist group, has stated that his party is about to initiate "bold action," and to "seize power with the aid of a foreign state."

In order to bring South America under their domination, the fascist states are chiefly concerned to isolate the Latin American peoples from the United States. They are therefore working hard to surround the Panama Canal, which Mussolini's mouthpiece, Virginio Gayda, has termed "the frontier of fascism." It is for this reason that the fascist countries have won for themselves important positions in the Central American states of Salvador and Guatemala and have concluded an alliance with their two dictators. At the same time, the Japanese "planters," owning considerable land—ostensibly for rice and cotton cultivation only—in Costa Rica and northern Colombia, within a few hundred miles from the Canal, have constructed several secret air bases.

In Venezuela, which is also situated not far from the Canal, and which is likewise valuable for its oil resources, German "tourists" are distributing large quantities of a special new edition of Erich Reimer's book, *Die Welser Landen in Venezuela* (*The Welser Land in Venezuela*), which recounts how, in the sixteenth century, the coast of Venezuela was exploited by the great German merchant house of Welser which was a business partner of Emperor Charles V who reigned over Germany, Spain and Venezuela. The publishers' announcement of this book—which, by the way, is dedicated to "The First German Colonial Empire"—states:

"We believe this book to be particularly timely just now, when Germany is fighting for the recognition of her right to her colonies. This book will again recall to memory the immortal deeds of the German colonizers."

The progressive policy followed by President Cardenas of Mexico, and the new orientation of policy of Colonel Batista of Cuba, constitute a real obstruction to the plans of the fascist powers; particularly so as these two countries hold the key to the Caribbean Sea, into which the Panama Canal opens on one side. This,

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then, is yet another reason why the axis agents are now paying particular attention to Mexico and Cuba.

The fascist powers are speeding up their economic penetration of Mexico. In this they are able to take advantage of the fact that Mexico must secure sales for her petrol, but is boycotted by both the Standard Oil and Dutch Shell trusts. The fascist agents are mobilizing all their tools—such as Ramon Iturbe, Nicolas Rodriguez, Trevino, Sanchez Tapia, Trotsky and his accomplices—in order to find a suitable substitute for that failure, the fascist mutineer general Cedillo, to overthrow Cárdenas.

Not long ago, these bandits organized certain anti-Semitic activities with the direct participation of such official Nazi agents as the Baron Hans Heinrich von Holleufer, brother-in-law of the Berlin chief of police and an attaché at the German embassy in Mexico, who was later arrested and deported because he had organized a Nazi party in Mexico. In Cuba, 3,000 Spanish Falangists, German Nazis and Italian Blackshirts attended a meeting at which diplomatic representatives of the axis powers were present and at which provocatory speeches were delivered against Colonel Batista and President Roosevelt. Everywhere these fascist bands practise military drill and arm for civil war.

The Latin American peoples well realize what that "restoration" means, of which Franco spoke. It means a return to a frightful past, but accentuated by unexampled brutality. They know that this "restoration" means the destruction of their cities and agricultural communities, their museums, schools and hospitals; that it means vile pogroms against millions of "non-Aryans," Indians, Negroes, Mestizos—against the majority of the population, in fact. And because they realize this, they will definitely oppose every attempt of the fascist aggressors and their tool, Franco, to extend their criminal domination to the Latin American countries.

The Latin American peoples supported the heroic struggle of the Spanish people. The nature of their reception to the Italian warships, which paid a provocative visit to South American ports, was exactly what that insolence merited. More than 500 young Latin Americans gave their lives for liberty as members of the International Brigade in Spain. Over 90,000,000 francs' worth of foodstuffs, clothing and medical supplies was sent to the brave Spanish people from Latin America, as well as arms from Mexico. Over 5,000 Spanish children have been adopted by the Latin Americans.

The peoples of Latin America did not cease their defensive measures against the fascist aggressors, nor their aid for the Spanish fighters for freedom, even after the betrayal of Spain by the so-called democratic states and by Miaja, Besteiros and Casado. For example, the Mexican government has agreed to open its doors to 10,000 Spanish refugees. The Chilean people's front has made plans to receive a considerable number of Spanish Republican fighters in Chile, together with their wives and families. The Argentine and Uruguayan peoples have protested against the recognition of Franco by their governments and have sent over $20,000 to aid refugees.

Under the banner of unity of all

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Latin America against the fascist menace, around which the people in each country are rallying, the conception of an anti-fascist bloc of the entire Latin American world is beginning to assume concrete form.

The conference in Lima in December last, in spite of its weaknesses and undeniable inadequacies, represented a definite step forward in this direction. Also, these inadequacies will be gradually overcome by means of the mobilization of the masses of the people. The governments of the United States, Mexico and Cuba are working together in the interests of defense against fascist aggression. Furthermore, that wing of the Brazilian government which has democratic inclinations has recently drawn closer to the United States.

In the Argentine and Uruguay, and even in Peru, the democratic forces have swung into action on behalf of this idea, and numerous committees have been formed to support it. The Chilean People's Front government is endeavoring to secure close contact with the governments of the United States, Mexico and Cuba. And the recent democratic congress in Montevideo set up a permanent committee and an international commission, with the object of uniting the whole continent against fascist aggression.

The Latin American democrats, and with them the Latin American Communists, are making every effort to insure and accelerate the formation of such a united front for the defense of all Latin America.

They are also aiding the Spanish refugees in every possible way, demanding on their behalf the unrestricted right of asylum.

The Latin American democratic forces see it as their task to oppose every concession to the fascist aggressors and every step towards capitulation. Such steps, for instance, as concluding "trade agreements" with the fascist powers, which bring the Latin American countries into semi-colonial dependence; and also the opening of the gates of the countries to all kinds of so-called technicians, tourists, trade representatives and missions, which are in truth only fascist spies.

The Latin American democrats also believe it to be their duty to oppose that false "pacifism" which hastens to recognize the fascist robberies, in the hypocritical pretext of "preventing such fratricidal strife as the Spanish civil war." The only way to prevent such "fratricidal strife," in Latin America as well as in Europe, is to offer unyielding resistance to the aggressors right from the very first.

The Latin American democrats also realize the great harm which may be done to their fight for liberty by the intrigues of the agents of Wall Street finance capital, both in the United States and in the Latin American countries. These people deny the fact of the fascist menace and attack communism, thus doing the work of the fascist axis. They attack progressive governments, such as those of Mexico and Chile. They endeavor to "restore" the Monroe Doctrine as falsely construed by Coolidge and Hoover—in other words, as a policy of the imperialist mailed fist—and thus to torpedo President Roosevelt's Good Neighbor policy. Their agents in the trade union movement—such as certain leaders of the American Federation of Labor—hasten to slander well-

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known anti-fascist working class leaders, such as Toledano of Mexico, to destroy the strongest trade union bodies, such as the Mexican Confederation of Labor, and to revive the Pan-American Federation of Labor which Samuel Gompers and Morones set up in 1916, in order to bring the Latin American labor movement under the control of Wall Street.

The Latin American democrats and anti-fascists can only carry on their struggle successfully by resolutely opposing the demagogy and provocation of the Trotskyite agents of fascism. The Trotskyites are systematically endeavoring to divert the attention of the masses from their chief enemy, fascism. Chiming in with Hitler's press, they cry that Roosevelt represents Yankee imperialism and is therefore Public Enemy No. 1.

In this manner, the Trotskyite bandits expect to be of aid to their fascist taskmasters. They are trying to direct against President Roosevelt the justifiable hatred felt by the progressive bourgeoisie and the toiling people of Latin America toward the bloodsuckers of Wall Street. Furthermore, the Trotskyites are aiding their fascist masters by industriously trying to sow the seeds of dissension and disruption among the workers and the masses generally, and by slandering the Communists by asserting that these latter have abandoned the struggle for national liberation and have joined up with Yankee imperialism. And even within the various Communist Parties they seek to induce factional disputes by insidious and treacherous intrigue.

In reply to all this destructive activity of the fascists and Trotskyites, it is the essential task of the Latin American democrats and anti-fascists to establish the unity of all Latin America by means of securing the unity of the people in each country. Mexico, Chile and Cuba have already shown the way in this direction. Now the Latin American democrats are demanding of the authoritarian governments of Brazil, Peru, and other countries that they contribute toward the unity of their peoples by restoring democratic rights, that they purge their governmental apparatus of all agents of the fascist aggressors and at once extend amnesty to anti-fascist leaders, such as Luis Carlos Prestes, Rodolpho Ghioldi and Agildo Barata in Brazil.

The Latin American democrats and Communists keep before them the great aim of uniting all the American countries into one vast anti-fascist bloc which will be capable of checking fascist penetration and safeguarding the peoples of the Americas against every possible fascist attempt at conquest or molestation.

Such an aim, while ambitious, is definitely attainable if only liberty-loving people in all countries of North, Central and South America become conscious of the seriousness of the fascist peril and will assist in arousing general recognition of the fact that it is not the waves of the ocean which will protect the peoples of America from fascist aggression, but only the mighty tides of a vast democratic movement of all peoples of both continents.

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IDLE MONEY—DOOM OR BOON?

BY GEORGE BRAHNS

THE urgency and severity of the situation brought about by the sabotage of Big Business are such that the Monopoly Investigation already at its inception unearthed some rather valuable facts for the further fight for recovery. And this in spite of all the attempts of the spokesman of the monopolies to twist the very problem and to reduce it to minor technicalities like legal quibbles on patent rights.

President Roosevelt, seriously concerned with the prospects of recovery, pushed through to the heart of the matter when he, at last, posed the question of the tremendous agglomeration of idle capital. Monopoly is, concretely speaking, monopolistic finance capital. Idle money is one of the foremost methods of the oppressive rule of finance oligarchy.

The amount of idle money piled up sky high in the banks can be guessed at from the fact that in April, 1939, the excess reserves of the Federal Reserve System overstepped the four-billion-dollar mark. This is unparalleled in the history of American capitalism and represents idle capital ten times that amount.

"While they sit fretfully upon their piles of idle cash and seek to ward off unwelcome accretions, the bankers are the targets of repeated criticism of their failure to make more loans. . . .

"The plain fact is that some of the larger Wall Street banks have almost ceased as a practical matter to be banks and have become simply repositories of cash and government securities." (*New York Times*, Oct. 2, 1938.)

What is the origin of this idle capital?

It represents the past and the future profits of monopoly capital. It is on the one hand actual surplus value appropriated by monopoly capital plus anticipated future profits (water) on the other. It is actual profits for the past and claims on future profits.

We have to distinguish superabundance of money, which is a normal occurrence in capitalism, from the agglomeration of idle money capital which is a peculiar feature of monopolistic capitalism in the period of the general crisis of world capitalism. The innumerable acts of buying and selling of commodities involve a growing amount of money of all kinds and denominations and an increasing speed of its circulation. But buyers and sellers are different, according to *what* they buy and sell. And so is their money. The money of Morgan or Ford is not the same kind of money as the money of the Morgan clerk or the Ford worker. The former is always the money form of capital. The money of Morgan and Ford has to be or has to become capital. But not so

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the money of the worker. Whenever *you* spend your money, it's gone forever. You have to get new money by selling your labor power to a capitalist. With capitalists it is the very opposite. With them money spent has to come back in a greater amount. (And it usually does, precisely because *you* have to work if you want money to replace that which *you* have spent.)

From the viewpoint of a capitalist it would be an absolutely insane idea to suggest their spending their money without the chance of getting it back together with an added amount. The chairman of the Monopoly Investigation Committee, Senator Mahoney, expressed this idea when he said to the insurance king, Eckener, at one of the hearings of the Committee: "Money begets money."

If buying and selling slows down because of a glut, because of overproduction (crisis), then you are faced with a superabundance of money. You may have superabundance of money for the opposite reason, too, *i.e.,* in a boom when buying and selling are accelerated in a hectic way and all kinds of additional money—checks, promissory notes, etc.—are necessitated to cope with this condition.

To put it in scientific terms:

The conditions giving rise to a recurring superabundance of money capital are the very conditions of the reproduction process itself. It influences in turn the cyclical movement of capital. Large amounts of money are set free as capital changes from its commodity form into money form (*i.e.,* as the commodities are being sold) and before it is transformed back again from its money form into its commodity form (*i.e.,* before the new elements of productive capital are being purchased). There is a necessary time lag between these different phases of the reproduction process in which capital remains temporarily in its money form. But it is the precondition for the normal functioning of the reproduction process to overcome this phase characterized by the superabundance of money. The superabundance of money itself facilitates in turn the overcoming of the crisis and the starting of a new cycle. Money, however, is not only being set free in this process of circulation but additional money is "created" at the same time to facilitate the process of circulation, the selling of produced commodities, the realization of surplus value. This is the function of *credit.*

That means that there is normally more money than is necessary for the realization of surplus value. Or, in other words, a part of future profits, the anticipation of profits over and above the already realized surplus value, is always an element of the reproduction process. The point here in question is, however, that this additional element of anticipated future profit grows with the concentration and centralization of capital by leaps and bounds, and at a certain point changes its very character fundamentally. Then it cannot be reduced any longer to a mere technicality of the complicated credit mechanism, as the spokesmen of Big Business try to make it appear even now. Then it becomes a problem to be solved radically on a social scale. Then it becomes the problem of idle money hav-

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ing a different complexion from the "normal" superabundance of money, being inseparably tied up with the predominance and rule of finance capital.

EFFECTS OF IDLE MONEY

Function and effects of idle money are different in the different set-up of finance capital. Let us look at this set-up. According to the Statistics of Income of the Treasury Department the total assets of all corporations in 1934 were as follows:

TOTAL ASSETS (*Millions of dollars*)

Agriculture	2,252
Mines and Quarries	10,228
Manufacture	52,523
Construction*	1,700
Public Utilities	68,461
Trade	17,434
Service	7,771
Finance	140,840

The preponderance of finance is overwhelming. The assets of financial corporations alone are about just as much as those of all other corporations taken together. Finance changed from a "humble servant" of capitalist economy (which it never was) into its absolute master.

The domination of finance capital becomes more marked and more obvious if we break down the figures according to the sizes of corporations. Finance is 19.1 per cent of all corporations with total assets of less than $50,000. The share of finance increases steadily in the higher brackets until it becomes 49.7 per cent of all corporations with total assets of $50,000,000 and over.

Finance oligarchy tries to perpetuate its rule by dictating the terms under which an economic venture can be launched. The smaller the amount of capital of an enterprise the higher the initial toll exacted by big finance.

EXPENSE OF SECURITY FLOTATION BY SIZE AND ISSUE*

(*First six months of 1937*)

Size of issue (in thousands of dollars)	*Number of cases*	*Expense of issue in %*
Common Stock:		
Under 250	33	22.4
250—499	19	19.9
500—749	21	19.1
750—999	10	18.2
1,000—4,999	22	15.7
Preferred Stock:		
Under 250	9	17.3
250—499	11	19.5
500—749	8	11.8
750—999	3	15.7
1,000—4,999	17	9.3
5,000—9,999	2	3.7
10,000—24,999	2	3.3
25,000 or more	2	3.0
Bonds, Notes and Debentures:		
Under 250	5	9.2
250—499	7	9.3
500—749	5	9.8
750—999	2	4.2
1,000—4,999	15	4.8
5,000—9,999	3	4.8
10,000—24,999	13	3.1
25,000 or more	8	2.3

Equal opportunity does not prevail here. Small business is handicapped and penalized from the very outset. The costs of launching a new enterprise are five to six times higher for small business than for big business. In these cases finance capital is interested only in skimming the cream and then leaving small business to its own fate ("rugged individualists" as they are), to be squeezed out in the dog-fight of competition.

In Big Business finance capital takes another interest. It is part and

* Including railroads.

* *Harvard Business Review*, Autumn, 1938, p. 33.

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parcel of it from the beginning. The entire economy is plunged into chaos in order to keep these monopolistic giants in a profitable state of semi-bankruptcy.

The former president of the New York Stock Exchange, E. H. H. Simmons, remarked in a lecture, January 30, 1928, about the creation and financing of the United States Steel Corporation in 1901 by the House of Morgan:

"The creation of the Steel Corporation largely brought order out of chaos. . . ." (E. H. H. Simmons, *Financing American Industry*, p. 11.)

He goes on to describe the process of disposing of the speculatively held securities by the issuing house, their unloading to the public.

"This process is with most companies a somewhat mysterious and difficult one upon which to obtain exact information." (*Ibid.*, p. 12.)

These speculative securities serve for the issuing house as a basis for contracting security collateral loans. It goes without saying that huge amounts of surplus profits are required to maintain this artificial edifice of speculative investments, serving as they do as a base of credit expansion. In the initial spurt these surplus profits are forthcoming as a consequence of chopping down competition. (In fact, these large issuing houses like Morgan and Rockefeller came into being with the purpose of circumventing the anti-trust legislation.) But later on, with competition largely eliminated, this source of superprofits dries up and finance capital resorts to rigid price fixing to maintain monopoly. If Morgan "brought order out of chaos," Simmons forgets to add that it was a very specific kind of "order" and that in turn he plunged the whole of American economy into chaos. The Federal Trade Commission in their report, "Monopoly and Competition in Steel," to the Monopoly Investigation Committee said in part:

"The wastes of cross-hauling and of excess capacity and high capital overhead are saddled on the consumer as if they were legitimate costs. . . .

"High prices, not in conformity with the law of supply and demand, place unreasonable limitations on use of the material. The effect, when combined with that of similar artificial prices in many other lines of production, is a depressed condition which can be kept from utter collapse only by repeated doses of public subsidy. . . .

"In steel, as the commission has observed, the normal and wholesome elimination of obsolete plants has not taken place. The industry has become addicted to monopoly as to a habit-forming drug. . . .

"The capitalist system of free initiative is not immortal, but is capable of dying and of dragging down with it the system of democratic government. . . . The steel industry is a focal center of a monopolistic infection which, if not eradicated, may well cause the death of free capitalistic industry in the United States." (*New York Times*, March 8, 1939.)

Order out of chaos?

The bankruptcy of the railroads is a case in point. One third of the total railroad mileage is still in receivership. Yet the railroads are the strongest single customers of steel. As long as the bankruptcy of the railroads is not solved there is no chance of greatly increasing the consumption of steel. On the other hand, as long as the monopolistic practices in steel

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are maintained and accentuated there is no chance of railroad investments on a large scale.

The insolvency of the railroads and the great solvency of the banks are merely two opposite sides of the same picture. That is why there is no partial solution of the railroad problem, that's why a simple "reorganization" won't do. As we have seen, half of the total assets of all corporations are in the possession of the financial corporations. The question of idle money capital has to be tackled. Simmons says, in a lecture on the "Stock Market Crisis of 1929":

"For several years past, all signs have clearly shown that this surplus capital was very great, and that it was being absorbed by investment in securities. . . . By 1929, this tendency . . . resulted in a temporary overfinancing of American industry on a long-term basis. . . . Granted that our surplus of capital in this country is likely to be great in coming years—and I for one believe that it will be—we are liable alternately to face the necessity either of making dangerous loans abroad or raising the level of American security prices. I think our recent security price inflation has been due to just this situation, and unless new and safe fields for the investment of European as well as American capital are opened, I am not certain that future capital inflation both here and abroad can be prevented either by private discrimination or public law." (*Op. cit.*, p. 329.)

These words were uttered January, 1930. To put it in simpler terms it means the prospect of boosting speculative security prices and at the same time condemning the American productive forces to stagnation. "Surplus capital" (idle money) is simply taken for granted, its reduction by productive investment is placed outside the realm of possibility, and a future "capital inflation" (increase of idle money) is predicted instead. The stagnation of production is the precondition of this "capital inflation" just as "capital inflation" in turn hampers productive investments. Both serve exclusively the interest of finance oligarchy in the given period of capitalist decay.

This is the set-up in which idle money plays its role today.

PARALYZING FACTOR IN THE PERIOD OF THE GENERAL CRISIS

There was superabundance of money in former periods of capitalism; but as a part of the cycle and reabsorbed in the recovery phase of it. At present it is a factor *paralyzing* the cyclical movement. It is, to a certain extent, independent of the cycle, co-existing with depression and recovery alike.

Formerly, this superabundance of money was the expression of two things:

(a) of the tendency of capitalist production to overstep the limits of the consumption capacity of capitalist society (that's what the term "credit facilities" stands for);

(b) linked up with this the tendency of profits to grow faster than production.

At present, under the conditions of domination of finance capital, idle money is an expression of

(a) production capacity hopelessly outstripping the consumption capacity of capitalist society (chronic excess capacity of the production apparatus —chronic mass unemployment);

(b) *tokens of control,* of property title, of the legal right to exact the

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toll of superprofits. *This* aim can be achieved, in the general crisis of capitalism, mainly by withholding the idle money from productive investment.

From this some necessary conclusions follow:

1. *Idle money has to be stripped of its function of control* exerted by finance capital over American economy.

2. *This can be done only if the government invest it on a large scale.*

3. *Precondition and effect of really large-scale government investments is the nationalization of the banks.*

To illustrate, take the tremendous amount of tax-exempt securities. According to a report of the Twentieth Century Fund, based on figures of the Treasury Department and of the Bureau of Census, the amount of tax-exempt securities in 1937 was 55.5 billion dollars. The banks possessed 20.9 billion dollars, insurance companies 5.8 billion. In 1935 individuals with incomes over $100,000 owned 26.7 per cent of tax-exempt securities. Big corporations owned in the same year 21.8 billion dollars tax-exempt securities as compared with only 8.7 billion dollars in 1926.

As far as big capital is concerned this is idle money, but to the extent that it is spent by the government it is not. (The emphasis being on the word *extent* which was insufficient. Insufficient because the Roosevelt Administration did not dare encroach upon the control over production which finance capital exerts with its idle money. The T.V.A. affair and its solution prove that. And on the other hand the Roosevelt Administration could not contest this control successfully precisely because of the insufficient amount of government investment.)

Finance oligarchy raises a terrific hue and cry that the increase of government debts impairs in the long run government credit by undermining confidence in the government.

Whose confidence? The confidence of the same finance oligarchy whose power and control would be undermined by a certain kind and direction of government investments.

They would not deem government credit impaired and confidence shaken if the government would spend the money for subsidies to the railroads, for subsidies to big capital generally in the form of tax reductions.

They wield idle money as an instrument of control of American economy. Every move which in the least imperils this control evokes their hatred and resistance.

They opposed the piling up of huge reserves in the Social Security Administration, replacing it with the maxim "pay as you go." They took it as a challenge, even if distant, to their exclusive monopoly of idle money. They know that they cannot keep money idle in the long run if the government employs the money on a large scale. They took this as a matter of principle.

And as a matter of principle the Roosevelt Administration could have made an impregnable case out of it. Because another vital principle is involved here.

CONTROL OF FINANCE CAPITAL MUST BE CURBED

Social legislation cannot be divorced from the New Deal without emascu-

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lating and finally killing it altogether. Just as all measures of the New Deal which tried to avoid having an edge against Big Business are self-defeating. That's precisely why on the other hand reactionary Big Business operates with the demagogy that they are in the main for the New Deal and oppose only its "excesses," *i.e.,* social legislation.

Yet social legislation was, as a result of the struggle of the masses, incorporated into the New Deal because it was indispensable for its success. It flows from the realization that the well-being of the masses of the workers and farmers is an essential condition for the recovery of present-day American economy, all evidence of the reactionary monopolies to the contrary notwithstanding. One can even easily divide the evolution of the New Deal into these three periods:

The first New Deal, largely the saving of "surplus capital," saving the strongholds of finance oligarchy, and only some beginnings of social reforms. This was, to say the least, much too one-sided to save the whole complicated fabric of American economy.

The second New Deal, the realization that workers and farmers are also parts of American economy; that American economy cannot be saved in its entirety without saving the purchasing power of workers and farmers. (Out went, at this turning point, the Brain Trust, headed by its trumpeter General Johnson, and in came President Roosevelt for a second term supported by an overwhelming majority of the people.)

The third New Deal, the realization that finance oligarchy (half of the assets of all corporations) cannot live in peace with the majority of the people; that Big Business has to be curbed in order that the people may live and American economy be saved in its entirety.

The Twentieth Century Fund published in *Debts and Recovery* a statistical tabulation showing the assets and liabilities of all commercial banks from 1929 to 1937 (years ending June 30). These two dates are respectively the peak of recovery ending in the middle of 1929 and 1937. A comparison is, therefore, very illuminating. Instead of giving the whole set of figures we pick out only the most relevant ones.

June 30, 1929, loans and investments of the banks amounted to 47.52 billion dollars as against deposits of 42.53 billion dollars. That is five billion dollar loans and investments in excess of deposits.

June 30, 1937, loans and investments of the banks amounted to 38 billion dollars as against deposits of 40.88 billion dollars. That is nearly three billion dollars deposits in excess of loans and investments.

This changed status of the banks reflects the fundamental change in the economic situation from 1929 to 1937. It shows that after the collapse of 1933 the banks regained and even greatly enhanced their liquidity. It shows further that they didn't use that increased liquidity, that they sabotaged production. That's the reason why the excess reserve requirements had to be increased repeatedly by the Federal Reserve Board. For this great liquidity of the banks, huge amounts of idle money even at the peak of a recovery movement entail

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the menace of a runaway inflation. But we know already that finance oligarchy envisaged the prospects of a "capital inflation" as far back as 1930.

The increase of the excess reserve requirements should, under normal circumstances, serve as a brake to counteract this danger. But the very existence of these tremendous amounts of idle money in the hands of finance oligarchy is a sign that circumstances are not normal. It is obviously this consideration which led even such a conservative banking expert as the Governor of the Federal Reserve Board, Marriner S. Eccles, to advocate strongly increased government investments.

The same statistics show that in 1929 the debts of corporations, not balanced by deposits, were 12 billion dollars. In 1937 the debts incurred by the federal and local governments at the banks and not balanced by deposits were 12 billion dollars. That means that a radical shift, to the extent of a real polarization, from private investments to government investments took place from 1929 to 1937.

As against the demagogy of Big Business, that they would employ their idle money but for the "obstacle" of government spending, the question has to be clearly posed: (a) Was this shift from private to government investment inevitable? (b) Would there have been any sizable recovery without this shift?

The answer to the first question is clearly in the affirmative and to the second question clearly in the negative. Government investment as the only way out of the impasse was compellingly *necessitated,* just as it was *made possible* only by the existence of huge amounts of idle capital in the hands of finance oligarchy. Clearly it was the free choice of the banks to shift their investments from private business to government securities.

More than that. It was their free choice and it was at the same time one form of their *sabotage,* one form of idle money as far as they are concerned, a form, moreover, through which they intended to influence and dominate the government economically and politically against the will of the people.

This circumstance determined the character of the recovery ending in the middle of 1937. If we translate the description of the three periods of the New Deal given above into the language of cyclical movement and the economic policy of American finance capital then we have the following picture:

The collapse of the American economic system in the Great Crisis 1929-1933 caught the finance oligarchy unawares, utterly helpless, disoriented and panicky.

In the second phase, in the phase of that "special kind of depression," they pocketed the resulting profits to the best of their abilities, keeping their powder dry, *i.e.,* their money idle, stalling productive investment.

In the third phase, that we are in now, they are out for actively *engineering collapse* by ruthlessly using their idle money not for productive investments but for economic and political sabotage. This situation is pregnant with the fascist menace. And to counteract it greater efforts and bold-

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er steps are needed on the part of the people as well as on the part of the Roosevelt Administration in the fight against the reactionary monopolies.

The strongholds of finance oligarchy have become the strangleholds of American economy. They can be reduced only by curbing the power of idle money in the hands of finance oligarchy; large-scale government investments for public works, housing, etc., and nationalization of the banks.

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GESTALT PSYCHOLOGY

BY R. L. GLEY

[*This is the second in a series of three articles by R. L. Gley on Current Trends in American Psychology. The final article, in the next issue, will deal with Psychoanalysis.*—The Editors.]

THE close connection that exists between theoretical advances in psychology and progressive social viewpoints can also be seen from a study of the present position of Gestalt psychology and of Psychoanalysis.

Gestalt psychology, which had its beginnings in Germany just before the war, represented there one form of revolt against the limitations of the older psychology. American behaviorism, which reflected in psychological theory the rationalization of Big Industry, attacked the older psychology especially on the score of its idealistic subject-matter, but continued its atomistic methodology: it continued to study actions, as the older psychology had studied "mental images," as isolated phenomena, "to be considered one after the other, apart from each other, rigid, fixed, objects of investigation given once for all."*

Gestalt psychology, on the other hand, stayed at first within the limits of the old subjective interests (by confining itself almost entirely to the study of visual perception), but made its attack principally against the atomistic method which was common to both the older psychology and the new behaviorism. At its start, therefore, its distinctive characteristic was an effort to escape from the limitations of mechanical materialism, whose method is atomism.

This revolt reflected petty-bourgeois protest against mechanizing of social life.

ELEMENTS OF DIALECTIC

The word *Gestalt*, most often translated "configuration," denotes an organized whole whose parts cannot be understood out of relation with one another, and possessing a "Gestalt-quality" which is not a quality of the parts, but only of all the parts together, in their given organization.

Max Wertheimer, the founder of Gestalt psychology, declared that its theory could be reduced to the simple statement that "there exist natural circumstances in which what happens to the total is not conditioned by the nature of the parts and their mode of combination, but on the contrary,

* Cf. Engels' *Anti-Duehring*, p 27f., on "the metaphysical mode of thought." See also the first article of this series.

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what occurs in any part of this whole is determined by the inner structural laws of its entirety." An illustration frequently used is that a melody does not depend on the particular notes played, but on the relation existing among them. And, Wertheimer states, the whole world can be regarded as a symphony, in which the performances of the individual musicians are not chaotic, but ordered with respect to one another, according to certain fundamental characteristics of the whole. By such a definition, Gestalt theory manifests certain dialectic elements.

However, it leaves unclear the relationship of part to whole. It tends to exalt the latter, and fails really to perceive the interpenetration of parts and whole. As we shall see later, it subordinates the conflict of the parts to an assumed harmony of the whole. This prevents it from arriving at a correct statement of the dynamics of development. This also involves the danger that idealism may creep in, through a metaphysical use of the categories of "whole" and "part."

The effort of Gestalt psychology to escape the limitations of mechanical materialism succeeded partially. To the extent that it succeeded, the Gestalt psychologists were enabled to make contributions of great importance in their experimental work. In studies of visual perception (Wertheimer, Koffka, Rubin) they were led to recognition of the dialectic character of development—the qualitative "leap." This same characteristic was found again in the investigation of learning (Köhler). Thus, the solution of a problem does not depend on the accumulation of small bits of learning, with respect to the different elements of the problem, but may come about as a result of sudden change in the perception of the situation as a whole, based on possibly small but decisive quantitative changes.

In Gestalt terminology, this "leap" is called "closure" of the perception, or emergence of a new "figure" from the "ground." In the learning situation, this "closure" is also called "insight."

An historical circumstance which contributed largely to the success of Gestalt psychology, and which, in a sense, made the whole Gestalt movement possible, was the simultaneous development during this period of the physics of relativity. This new physics challenged the old "classical" physics on the same grounds of methodology, denying that it was possible to study a phenomenon thoroughly simply by studying each of its parts in isolation. Köhler, who had studied under Planck (the teacher of Einstein) was principally responsible for the elaboration of Gestalt theory along these lines.*

Gestalt theory must therefore be acknowledged to be a movement away from the type of mechanical materialism which had been based on 18th century physics. However, Gestalt psychologists took the position that although the old, classical physics (and the corresponding psychological theory) had been incomplete and imperfect, the new physics which had

* This relationship of Gestalt psychology to relativity physics has often been recognized. See, for example, G. Humphrey, "The Theory of Einstein and the Gestalt-Psychology: a Parallel," *American Journal of Psychology*, No. 35, 1924.

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corrected its shortcomings represented an adequate theoretical basis for psychology. Throughout Gestalt writings, one finds repeated efforts to bolster their own position by the use of analogies and illustrations drawn from the realm of physics. The first and most extensive effort of this sort was Köhler's book on *Physical Gestalts*. In this book (to use Petermann's phrase) the author "endeavors to obtain scientific citizenship" for the concept of Gestalt by demonstrating that Gestalt-phenomena occur in the fields of physics and physical chemistry.

J. F. Brown expresses this tendency most clearly when, in his defense of Gestalt theory, he writes: "The final acceptance of Köhler's theory would mean that psychology can be looked on as a natural science, really as a branch of physics." A few pages farther on, he states: "In demanding that a scientific psychology use the methods of physics, we retain the methodological advantages of 19th century mechanism without committing ourselves to a type of theory which has been outgrown in physics itself."* Thus, he shifts the basis of psychological theory *from the old physics to the new physics*—not to society. Neither Brown nor any of the Gestalt psychologists recognizes the fact that *no system of physics*, however dialectic, can ever provide the full theoretical basis for a social science.

Such an attempt must always have the effect of robbing the social sciences of their own autonomous laws, and making them subservient to the natural sciences. However, the concepts which are adequate for physics can never suffice to express the new laws which come into play in the realm of social relationships. Later we shall see some examples of how this type of reductionism condemns Gestalt psychology to overlook important aspects of behavior, which cannot be formulated in physical terms.

Gestalt psychology is therefore still a form of mechanical materialism, seeking by every means to reduce the phenomena of behavior to the concepts of an up-to-date mechanics. It has advanced, we might say, to a new type of mechanical materialism. Despite its vigorous attacks against the mechanical materialism of the 18th and 19th centuries, it is itself no more than the mechanical materialism of the 20th. That is the reason why, though it has made important contributions in certain fields of psychology (and we should not forget that the old mechanistic association theory also made important contributions, in its day), it has remained sterile with respect to the problems of social psychology.

HISTORY IS "ALIEN"

The decisive shortcoming of Gestalt theory is its neglect of the *historical* element. This is openly recognized by Lewin, who is the pioneer in application of Gestalt to social psychology.

Lewin states that there are two kinds of causation, both of which are important for psychology. According to the "systematic" point of view, "the 'cause' of the event consists in the properties of the momentary life

* *Psychology and the Social Order*, pp. 479, 486.

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space," while according to the "historical" point of view, it consists in the chain of events which has brought a certain situation into being. All of his theoretical considerations are of a "systematic" character—directed toward understanding the dynamics of the momentary situation. As he says, he tries to answer the question *"how?"*, not the question *"why?"*

Lewin asks us to believe that this concern with the systematic concept of causation "does not imply a neglect or underestimation of the historical problems in psychology." And, indeed, we know from certain features of his own experimental work, as well as from certain illustrations which he gives, that he is aware of their importance. But to be aware, in an abstract way, of the importance of historical forces, and to give real attention to them and build a system that can do justice to them *in psychology*, are two different things.

This appears very clearly when Lewin discusses the difference between the "psychological space" (his term for individual experience) and "physical space." The individual's "psychological space," he points out, has a "boundary" from outside of which "alien influences" affect it.

> "These influences from outside can have a definitely social character. The announcement of new regulations for peddlers, about unemployment relief, about taxes, can entirely change the field of action of a peddler, of an unemployed person, or of the taxpayer. . . . The task of dynamical psychology is to derive univocally the behavior of a given individual from the totality of the psychobiological facts that exist in the life space *at a given moment*. To this also belong all those facts at the boundary points which influence the person *at the present moment* but which themselves owe their existence partly to alien events."*

In this statement, Lewin, by positing the primacy of the fixed moment, very clearly indicates that Gestalt psychology minimizes the decisive developmental, historical factors.

Similarly, he closes his discussion of "Some Social Psychological Differences Between the United States and Germany"** with the following statement:

> "The description deals only with the present situation without statement as to its duration or its history. The attempt to reveal some logical interrelations between certain characteristics of social groups and of their members as social beings does not answer historical questions of causation, but deals with 'systematic' questions of dynamic interrelations exclusively."

Thus, Lewin admits that Gestalt theory does not deal with the important problems of historical causation. But he tries to dismiss these problems as simply another, different task. He does not recognize that the complete failure to deal with this task is itself a serious defect—an invalidation of Gestalt psychology.

THE "ERROR" OF MARX

This defect Brown boasts as a virtue. He sets out to criticize Marxism, precisely because it is historical. He says:

> "I believe that the emphasis on historical materialism in dialectic materialism as a method is necessary only until adequate dynamical constructs are established. Since these were not available at the time of Marx

* Kurt Lewin, *Principles of Topological Psychology* (1936), p. 71. (Italics mine—R.L.G.)

** In *Character and Personality*, No. 4 (1935-36), pp. 265-293.

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and Lenin, their insistence on historical materialism can well be understood."*

Brown says that Marx was correct enough in ascribing a good deal of influence over an individual's behavior to his class position, "when the class struggle exists." But, he adds, there are some times when the factors of nationality and church membership are more important in the determination of behavior, and at such times we cannot say that the class struggle really exists. He holds that for such non-revolutionary periods, the opponents of Marx, who deny the existence of classes, are more correct than he.**

Brown attempts to give Gestalt analyses of these two different situations: the "revolutionary" and the "non-revolutionary." The essential difference that he finds between them is that in one the "national membership-character" is the dominating factor, while in the other the reverse is true: "A revolutionary situation is one in which sufficient members of the workers and employers are engaged in the class struggle to give the field a conflict situation, and in which national and religious membership-character have no appreciable influence."***

We shall leave aside the question of the error in this definition, which assumes an inherent antagonism between patrotic motivation and class motivation that does not exist in fact. Communism has made its position abundantly clear that true national patrotism finds its greatest objective in struggles for the well-being of the people. Such struggles can be carried on only by the historically progressive classes. Such true patriotism has found its highest expression in the Soviet Union. In the historical act of uniting the people with the land on which they live and labor, it burst at the same time "the prison of nations." In the capitalist lands, true patriotism is today animating labor and the toiling people as a whole, as they mass in the people's and democratic front against the monopolists who despoil the nations. Hitler, Franco and Mussolini rant about the antagonism between "national spirit" and class warfare; but we expect better of one who, like Brown, recognizes the anti-social and anti-scientific character of fascism.

The important point for our discussion is that Brown fails completely to recognize the historical continuity between the situations he sets up. He offers no explanation of how one changes into the other. That is precisely the point where "dynamical analysis" is needed, and where Marx provided it. Marx predicted the revolutionary situation by showing the effects of the action of class conflict in the non-revolutionary situation. He does not deal with a momentary situation, but, as Engels put it, with "the great impelling forces which act upon the minds of the acting masses and their leaders."

Because Gestalt psychology limits itself to describing momentary situations, it is unable to give a full account of human behavior. It cuts its perspective down to the point of embracing only as much as can be found in the fragmentary consciousness of an

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* J. F. Brown, *Psychology and the Social Order*, p. 486.
** Cf. *loc cit.*, pp. 169ff.
*** *Ibid.*, p. 183.

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instant. It can deal with the "transient flaring up of a straw-fire which quickly dies down," but not with the "lasting action resulting in a great historical transformation."

This narrow outlook was the natural consequence of the conditions under which Gestalt psychology started. It was altogether a psychology of "individual experience," giving no attention whatever to the social aspects of behavior. The effort to use Gestalt theory as the basis of a social psychology (an effort which occurs because of sharpened class struggles) makes its shortcomings evident. It is in contact with history, in dealing with major social problems, that the error of being non-historical becomes most obvious. But the way to overcome this error will not be found by anyone with an academic, spectator's interest in world events. A real appreciation of the creative character of behavior comes only to him who participates in the progressive currents of the history of his day. The contributions of Gestalt psychology will not be fully utilized until they are embraced in a dialectic-materialist system, which (linked as it must be with progressive political struggles) will give their due emphasis to historical forces.

In the absence of such a forward development, to take account of historical factors, the danger exists for Gestalt psychology that in its treatment of social problems it will slip into idealism. In this connection, we may recall the criticism which Marx and Engels made of one of the "True Socialists" of their day who tried to make deductions from postulates about the relationship of individuals and totalities, divorced from concrete historical reality. They wrote, in discussing an essay by one R. Matthäi:

"Society, the 'totality of existence,' is conceived by our author not as the interaction of the constituent 'individual existences,' but as a separate existence which undergoes another and separate interaction with these 'individual existences.' If there is any reference to real affairs in all this it is the illusion of the independence of the state as opposed to private life and the belief in this apparent independence as something absolute. But as a matter of fact, neither here nor anywhere in the whole essay is it a question of nature and society at all; it is merely a question of the two categories, individuality and totality, which are given various names and which are said to form a contradiction, the reconciliation of which would be highly desirable. . . .

"This claim of the individual on society is not deduced from the real [*i.e.*, historical —*R.L.G.*] development of society but from the alleged relationship of the metaphysical categories, individuality and totality. You have only to interpret single individuals as representatives, embodiments of individuality and society as the embodiment of totality, and the whole trick is done."*

As a matter of fact, this is just what has been done by some followers of Gestalt theory. Wheeler, for example, who made the first attempt to write a comprehensive treatment of the problems of psychology from the standpoint of Gestalt theory, writes:

"The whole governs the activities of the parts. Persons are restricted in their freedom by the mores and laws of the groups. To conform means liberty."**

This reactionary conclusion may be an idealistic distortion of Gestalt theory. But it is a type of distortion

* *The German Ideology* (International Publishers, 1939), p. 107f.

** R. H. Wheeler, *The Laws of Human Behavior* (1932), p. 215f.

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which is very likely to occur when the attempt is made to deal with social events as if they were physical events, and to abstract them from history. Under such circumstances, the concrete reality of human struggle is lost, and replaced by a formula. Wheeler is especially emphatic in his assertions about the subordination of psychology to physics:

"It can no longer be said that because man is more complex in *form* than a chemical compound he obeys different laws; for *functionally* the one is as complex as the other. It can no longer be said that because man is a conscious, thinking being, his behavior is of a different order from that of a simply structured gravitational system. Because he remembers, it cannot be said that he behaves in accordance with a principle peculiar to consciousness. Because man exhibits insight, it cannot be said that his behavior contains a factor without an analogue in electro-magnetic fields. Because man wills it can no longer be said that he is free while a gravitational system is not."*

But the formulæ of physics, which are concrete expressions of reality when they are applied in their own field, are empty metaphysical phrases when they are applied outside of it. Such physicalism not only deprives the social science of its own autonomous laws, as we saw above; in addition, this mechanistic reductionism leads around through a back door into idealism.

EQUILIBRIUM VS. STRUGGLE

In closing our discussion of Gestalt psychology, we may give one illustration of how a mechanistic feature of its theory will be corrected by taking a lesson from history. This is the "principle of equilibrium."

Köhler developed this principle in the attempt to give a physicalistic answer to the question as to the law or laws governing the development of Gestalt phenomena. At the time, he was concerned with explaining certain visual illusions. He assumed an exact correspondence in pattern (isomorphism) between the visual experience and the physiological brain process; and he assumed also that the brain process was governed by a tendency to establish an equilibrium among the various "charges" in the nervous system. He thought that in this way he could explain how the illusions took place.

This principle of equilibrium has been applied by Gestalt psychologists to all kinds of behavior. In practice it has meant that all behavior has been interpreted as tending to lower the tensions in the situation. It is one of the foundations for Lewin's "vector psychology," in which the choice by an individual among possible courses of action is described in terms similar to those used in mechanics to describe the movement of a physical particle toward a position where the forces acting on it will be in balance.

In the following passage, we see how the use of this principle leads to regarding all behavior as passive:

"The psychical processes may often, by the use of certain points of view, be deduced from the tendency to equilibrium (as may biological processes, in general, as well as physical, economic, or other processes). The transition from a state of rest to a process, as well as change in a stationary process, may be derived from the fact that the equilibrium at certain points has been disturbed

* *Ibid.*, p. 92f.

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and that then a process in the direction of a new state of equilibrium sets in. . . ."*

This theory leads to the assumption that the development of any situation is always toward a lessening of conflict, and toward a static organization of the whole. The only exception to this is when a disturbance arises from some outside source. It is a definitely metaphysical theory, which regards *rest as the absolute,* and sees motion only as a disturbance of rest. It will not be possible to maintain such a theory in face of the challenging problems of political psychology, where the evidence is so clear that the driving force of development is the *conflict* of the parts (for example, conflict of the classes making up society), and that the development and eventual resolution of this conflict involves passing through stages of increasing tension.

The equilibrium theory of Gestalt psychology, deriving from the reliance of Gestalt psychologists on physicalistic explanations, has deeper, social roots, in the atmosphere of traditional German Social-Democratic opportunism, within which it developed.* The search for "equilibrium at the lowest possible state of tension" is behavior viewed from the standpoint of opportunist compromise and "appeasement" of reaction, which paved the way for Hitlerism.

What Gestalt psychologists omit from their analyses of social situations is *the fact of a continuous process of struggle against the existing field structure; instead they assume complete subservience to it.* It is the fact that behavior, and not something "alien," creates new tensions, which burst the old structure. This power of behavior to modify and transform the environment and in so doing transform itself will find real recognition in psychology only when the psychologist himself is aware of the instrumentality of his own science in the *historic* movement for social betterment and social transformation.

* Kurt Lewin, *A Dynamic Theory of Personality* (1935), p. 58.

* It is not without significance that Max Wertheimer, "the father of Gestalt psychology," was himself a Social-Democrat.

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BOOK REVIEWS

THE GERMAN IDEOLOGY

THE GERMAN IDEOLOGY, by Karl Marx and Friedrich Engels. Parts I and III. Edited with an Introduction by R. Pascal. Marxist Library, Volume VI. International Publishers, New York, 1939, 214 pages.

THE publication of *The German Ideology* opens for English readers another fruitful source for the deeper study of the theoretical foundations of Marxism. This book, which was written between the late summer of 1845 and the autumn of 1846, constitutes the first comprehensive exposition of Marx's and Engels' newly developed conception of history. Despite a number of shortcomings which Engels noted many years later, this is the volume in which Marx and Engels emerge definitely as the representatives of Scientific Socialism, free from all idealistic remnants.

Conceived as a work which would contrast their dialectic materialist view with the idealism of contemporary German philosophy, and in fact settle accounts with their own former philosophic conscience, as Marx put it, *The German Ideology* was written in the form of a criticism of the post-Hegelian philosophy (Feuerbach, Bruno Bauer, Max Stirner and the True Socialists).

It displays all the vigor and freshness of a new scientific discovery, especially of a discovery which has the scope of a new world view. Even today it reads with a sense of promise and power—the power of a newly won scientific theory before which the world, hitherto locked to human understanding, now opens up surely and irresistibly.

Actually, what Marx and Engels present here for the first time at great length is the law of development of human history. The discovery of this law, as Engels himself indicated, did for the study of human society what Darwin's discovery did for the study of organic nature. Both demonstrated that the chance and accident which appeared to rule the world were but expressions of a larger pattern, of underlying laws, objectively verifiable, and asserting themselves with an inexorable and overriding force. In face of the sure knowledge that human history cannot escape from the laws of its own development, how ludicrous and despicable are the efforts of barbarous fascism to nullify the inevitable and prevent the victory of the people!

When the publisher failed to go through with the publication of *The German Ideology*, Marx and Engels "abandoned the manuscript to the stinging criticism of the mice, the more readily since we had accomplished our main purpose—the clearing up of the question to ourselves." * The book was not published in full until nearly 90 years later, in 1932, when it was issued by the Marx-Engels-Lenin Institute in Moscow as part of the scientific edition of Marx's and Engels' works. The full volume, occupying 528 pages of the scientific edition, consists of three main parts: 1. Feuerbach; 2. The Leipzig Concilium (Bruno Bauer and Max Stirner); 3. True Socialism. The present English translation has omitted the entire second part, consisting of over 300 pages. However, it contains the essence of *The German Ideology* as well as Marx's "Theses on Feuerbach" and seven pages of helpful explanatory notes taken over from the Marx-Engels scientific edition.

As a matter of fact, the views developed in *The German Ideology* were not merely set forth by Marx and Engels for their own scientific clarification. *The German Ideology* also was intended to provide a scientific out-

* Karl Marx, Preface to *A Critique of Political Economy*, Chicago, 1918, pp. 13-14.

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look to the newly developing Communist party, "a large fraction of which" was hostile to Marx because he opposed "their utopias and their declamations." The discovery of the materialist conception of history was the product of painstaking scientific activity, but it was an activity spurred on, inspired and fructified by direct participation in the democratic and workers' political and social movements.

In fact, the day on which it appeared fully crystallized, scientifically establishing the historic mission of the proletariat, the materialist conception of history was already engaged in struggle, a struggle to forge a party of the proletariat, a party based upon its newly won scientific understanding, capable of leading the proletariat in realizing its historic mission. In order to build the newly organized Communist party, Marx and Engels had to combat all the dogmatic and sectarian views current in the working class and Socialist movements of the 'forties. Theory and practice combined to transform Socialism from a utopia into a science. The combination of the two followed from the very nature of the materialist conception of history, indicating that new ground had really been won for an historic advance of both.

* * *

The new conception was of immediate importance for the workers' movement. Their class struggle against the bourgeoisie and their aspiration for a communist society free from exploitation no longer appeared as a matter of chance. The workers' movements in the various capitalist countries were shown to be the more or less developed forms of an historically necessary struggle of the proletariat. Socialism was no longer an unrealizable dream but the inevitable outcome of the development of capitalist society itself. Capitalism could not continue to reproduce the conditions of its own existence without simultaneously producing the conditions of its own disappearance. It could live only by preparing its own death and creating its own gravediggers, the proletariat, which could not emancipate itself without at the same time emancipating society as a whole from the exploitation of man by man. The class struggle was actually the driving force in this entire historical process. Socialism was thus transformed from the manufacture of imaginary ideal societies into the scientific study of the nature and conditions and the consequent general aims of the real struggle waged by the proletariat.

By uncovering the real forces of development, socialism was freed from blind dependence upon outward appearances. It no longer needed to ground its judgement in, or be led astray by, that which is temporary and passing. It could now ignore the transitory features and, basing itself on the underlying trend, work to help realize this trend. Socialism thereby received a constructive power far beyond its own temporary numerical strength, the power which stems from scientific knowledge, of not only being able to explain, but also to anticipate and in the long run to master reality.

The tremendous advance in the struggle of the working class made possible by this scientific discovery is incalculable. The proletariat was no longer the insignificant helots, despised and forgotten by history and condemned to eternal drudgery and toil. It stood revealed as a great historical force on whose struggle and development depended the future of all humanity. Its historical mission was dictated by the very development of the material forces of production with all the power of an overriding law of nature. By thus establishing the material basis of the proletarian class struggle, Marxism opened up for the working class that creative sense of certainty and power that flows from scientific knowledge, the knowledge of objective necessity. It inspired the working class with a high dignity and confidence in its ultimate victory. More than that, it provided it with one of the most important conditions of victory, the possibility of developing a reasoned, scientific policy in the practical conduct of its struggle.

Today, as Stalin pointed out at the Eighteenth Congress of the C.P.S.U.,

"The chief endeavor of the bourgeoisie of all countries and of its reformist hangers-on is to kill in the working class faith in its own strength, faith in the possibility and inevitability of its victory, and thus to perpetuate capitalist slavery. For the bourgeoisie knows that if capitalism has not yet been overthrown and still continues to exist, it has not itself to thank, but the fact that the

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proletariat has still not faith enough in the possibility of victory." *

But the truth of the great scientific teachings of Marx and Engels has been fully demonstrated to the whole world by the victory of the working class of the Soviet Union.

Despite defeats and setbacks prior to the October Revolution, the exploitation of man by man has been abolished and socialism firmly established in the Soviet Union—an inspiring demonstration of what the *working class* can do when, confident of its own power, it allows nothing to impair faith in its ultimate victory. This victory and its achievements in the Soviet Union were inspired by the scientific understanding of the historical mission of the proletariat and guided by the party and practical policies which this made possible. Let us ponder all the lessons of this historic fact, keeping in mind that:

"In the eighties of the past century, in the period of the struggle between the Marxists and Narodniks, the proletariat in Russia constituted an insignificant minority of the population, whereas the individual peasants constituted the vast majority of the population. But the proletariat was developing as a class, whereas the peasantry as a class was disintegrating. And just because the proletariat was developing as a class the Marxists based their orientation on the proletariat. And they were not mistaken, for as we know, the proletariat subsequently grew from an insignificant force into a first-rate historical and political force."**

* * *

This historical and political role of the proletariat, which depends upon the unity of labor for its realization, imposes upon it the responsibility of rallying all other sections of the people in the struggle against capitalist reaction and fascism.

The German Ideology enlarges our opportunities for studying at even closer range those qualities of the materialist conception of history which enabled Marx and Engels to discover the historical role of the proletariat and to endow its struggle with the certainty of victory. The section on Feuerbach, which constitutes the first part of the book, is especially lucid and rich in fundamental ideas which Marx and Engels developed so fruitfully in succeeding works. It is impossible to read their criticism of the German materialist philosopher without immediately perceiving the tremendous power of a theory which not only derives its truth from the world as it is, but includes in this truth the necessity and condition for changing the world.

"Certainly Feuerbach has a great advantage over the 'pure' materialists in that he realizes how man too is an 'object of the senses.' But apart from the fact that he only conceives him as a 'sensuous object,' not as 'sensuous activity,' because he still remains in the realm of theory and conceives of men not in their given social connection, not under their existing conditions of life, which have made them what they are, he never arrives at the really existing active men, but stops at the abstraction 'man,' and gets no further than recognizing 'the true, individual, corporeal man' emotionally, *i.e.*, he knows no other 'human relationships' 'of man to man' than love and friendship, and even then idealized. He gives no criticism of the present conditions of life. Thus he never manages to conceive the sensuous world as the total living sensuous activity of the individuals composing it; and therefore when, for example, he sees instead of healthy men a crowd of scrofulous, overworked and consumptive starvelings, he is compelled to take refuge in the 'higher perception' and in the ideal 'compensation in the species,' and thus to relapse into idealism at the very point where the communist materialist sees the necessity, and at the same time the condition, of a transformation both of industry and of the social structure." (p. 37.)

* * *

Proceeding from a recognition of the primacy of production, Marx and Engels discover the determining role of the laws of economic development of society. For a party of the proletariat, these laws must be the starting point of its practical activities. It is precisely in teaching the masses how to transform economic questions into issues of political struggle, as Earl Browder has so aptly put it, that our Party is making an important contribution to the entire progressive movement at the present time.

On the basis of this recognition of the primacy of production and consequently of the forces and mode of production in human

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* Joseph Stalin, *From Socialism to Communism in the Soviet Union*, p. 62. International Publishers, New York.

** *History of the Communist Party of the Soviet Union (Bolsheviks)*, pp. 110-11. International Publishers, New York.

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history, Marx and Engels were able to get at the inner secret of the class struggles proceeding in society. All struggles within the state, they declared, are but different forms in which the real struggles of the different classes are fought out among one another. Further, "every class which is struggling for mastery, even when its domination, as is the case with the proletariat, postulates the abolition of the old form of society in its entirety and of mastery itself, must first conquer political power. . . ." (p. 23.)

In the section on the True Socialists, Marx and Engels annihilate these petty-bourgeois ideologists who thought they could substitute phrases for the painstaking task of studying *real* society.

" 'True Socialism,' which claims to be based on 'science,' is in actual fact merely another esoteric science; its theoretical literature is only for the Few who are initiated into the mysteries of the 'thinking mind.' . . . It turns as a result not to the proletarians but to the two most numerous classes of men in Germany, to the petty bourgeoisie with its philanthropic illusions and to its ideologists, the philosophers and their disciples. . . ." (p. 81.)

True Socialism drew its inspiration from the petty bourgeoisie and was the product of the backward conditions of Germany. Scientific Socialism based itself upon the proletariat and fought to promote its cause. True Socialism was a "perfect example" of a mere literary movement. Scientific Socialism was actively engaged in forging a Communist Party for the "*real*, passionate, practical party conflict." The Party of Scientific Socialism could not be built without a relentless struggle against the anti-proletarian ideologies that were current at the time. The victorious Communist Party of the Soviet Union confirmed the truth of this in its own experience.

The True Socialists, Marx and Engels pointed out, "continually mix up literary history and real history as equally effective. This habit is, of course, very understandable among the Germans, who conceal the abject part they have played and continue to play in real history by equating the illusions, in which they are so rich, with reality." (p. 95.) Obscuring and diluting the real issues by phrases, and concealing a narrow national outlook under an alleged universalism and cosmopolitanism, they pretend to sit in judgment on the rest of the world.

"In every sphere they regard their dreamy phantasies as a final verdict on the actions of other nations; their lot is to be everywhere onlookers and inspectors, and so they believe themselves called upon to sit in judgment on the whole world and to stand by while history works out its ultimate purpose in Germany." (p. 99.)

It is a measure of the scientific quality of Marxism that the sharp polemical form of *The German Ideology* in no way interferes with, but on the contrary, helps to bring out the objective contents of its analysis. Considering that the task of science is not just to judge and condemn, but to understand, Marx and Engels criticized True Socialism for its failure to view everything "in terms of actually existing men and circumstances," but at the same time analyzed the conditions that made True Socialism unavoidable at the time. They display the same quality in speaking of the early Communist systems. They do not merely reject them. On the contrary, they establish their historical *necessity*, view them, consequently, as a *form* of the developing proletarian movement, hence as part of a process, seeing in the germ already its future course. This mode of analysis is both materialist and dialectic, seeing the real basis of every phenomenon, while at the same time viewing it as a phase of development, not complete and absolute in itself. Such an approach deepens our understanding of every *given* situation, while opening up the perspectives for further development, and by our action, enabling us to determine its outcome.

Both the study on Feuerbach and the second part of the book dealing with the True Socialists are particularly effective in exposing the teleological, mystifying nature of idealism. In doing this, the scientific character of the materialist conception of history, its quality of sticking to the facts, is brought out very prominently. The idealists transform words, ideas into independent, objective forces with causal attributes. First an abstraction is made from a fact; then it is declared that the fact is based on the abstraction! Here is a sample:

"Fact: The cat eats the mouse. Reflection: Cat equals nature, mouse equals nature; consumption of mouse by cat equals consump-

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tion of nature by nature, equals self-consumption of nature. Philosophic presentation of the fact: The devouring of the mouse by the cat is based upon the self-consumption of nature." (p. 115.)

The manner in which Marx and Engels tear the True Socialist, Karl Gruen, apart is in itself a lesson in scientific accuracy and devotion to facts. On the one hand, they are relentless in tracking down the slightest plagiarism or falsification of fact. On the other hand, they subject their opponent to a combined analytical-polemical treatment of a logical and grammatical character which does not permit a single logical fallacy or its consequences to escape attention.

The study of *The German Ideology* will contribute additional pride and confidence in the power of our theory and the greatness of our cause. To those who would have the working class believe in the invincibility of reaction and capitalism we repeat the words of Marx and Engels:

"Whilst in ordinary life every shopkeeper is very well able to distinguish between what somebody professes to be and what he really is, our historians have not yet won even this trivial insight. They take every epoch at its word and believe that everything it says and imagines about itself is true." (P. 43.)

A. LANDY.

PSYCHOPATHOLOGY IN THE SERVICE OF RED-BAITING

WORLD REVOLUTIONARY PROPAGANDA, by Harold D. Lasswell and Dorothy Blumenstock, New York, Alfred A. Knopf, 1939. Pp. xii + 358.

I

HAROLD D. LASSWELL is one of the most influential bourgeois authorities on political science in the country today. Author of several books, he is best known for his *Psychopathology and Politics,* and *World Politics and Personal Insecurity.*

In order to understand precisely what Lasswell is getting at in this new and quite pretentious book we are here considering, it is necessary to know something of his general orientation and approach to politics and political science. First and foremost, he is the chief representative and leader of a movement which he himself has described as a psychiatry of politics. Superficially acquainted with the writings of Marx, heavily influenced by Pareto, that oracular apologist for fascism, Lasswell is fundamentally concerned with an application to politics of the concepts, theories and findings of psychoanalysis. If a quick and simple categorization of him were desired, he could be called a Pareto-Freudian. Thus, although the Marxian terms *proletariat* and *bourgeoisie* are used by him on occasion, he is much more at home when he is writing in terms of "ruling elites," "symbols," "sentiments," "identification," "the Id," and "the Superego." Secondly, but of course just as significantly, Lasswell is a political conservative, possibly a reactionary. Although he never explicitly states it anywhere, it is clear from the whole character of his approach to problems of politics that his fundamental concern is to discover means whereby monopoly capital may retain power.

II

This latest book of Lasswell's (written in collaboration with a research assistant) is presented to the public as a case study of the activities of the Communist Party of Chicago, during the years 1928 to 1934. It is, of course, something other than that; Lasswell has a purpose in mind. In the preface he tells us that this "investigation was undertaken as a means of evaluating the future prospects of Communism." In other words, Lasswell professes to be attempting here an appraisal of the future possibilities and course of the revolutionary movement in America, on the basis of an extremely pedantic analysis of the activities of one district of the Communist Party during the first five years of the great crisis.*

* The period which Lasswell has selected for study is that between the Sixth and the Seventh Congresses of the Communist International. Since the Seventh Congress brought with it a basic change in tactical orientation which altered very widely the scope of the activity and the methods of the Communist Party of the U. S. A. as well, Lasswell's analysis must be considered already out-of-date, as well as false for other reasons (see below).

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As he puts the question, "Will the Third International succeed in universalizing the Soviet Union?" His answer is that *five years of Communist propaganda work in Chicago have had the net effect of strengthening opposition to Communism and its goals.*

Space will not permit an exhaustive appraisal of the data and arguments which Lasswell employs in support of this patently fallacious conclusion. The book is divided into five parts, a first general section in which Lasswell sets his problem and outlines the economic situation in Chicago during the years under study, two sections devoted to a presentation of the various channels and techniques of Communist Party propaganda (demonstrations, publications, slogans, "symbols," etc.), a fourth section which attempts to measure the influence of Communist Party activities, and a concluding section on the factors, largely "psychological," which worked for and against effective influence of the Party. We are shown photographs of leaflets, shop papers and newspapers; we see pictures of displays of buttons and badges, and action shots of demonstrations and marches; we are presented with quantitative analyses of forms of slogans, and the character of the terms used in them (general vs. specific, international vs. national vs. local, "demand" vs. "identification" vs. "fact"); we read speeches of Communist leaders; we are presented long accounts of outstanding demonstrations. The body of the book presents a large collection of statistics and documents.*

III

We are more concerned, however, with an evaluation of Lasswell's approach and a consideration of his conclusions. In this connection, we wish to make five points.

(1) First, it is clear from the beginning that Lasswell views the problem of the Communist movement in this country in terms of a process of "diffusion" from a "World Revolutionary Center." As he puts it: "Russia may be taken as the world center from which a revolutionary pattern is spreading. Beyond the boundaries of the Soviet Union the Third International rises and falls in influence. Its geographical dispersion at any given time is the net result of the factors which effect the total process of diffusion and restriction." We have expressed here, in much more sophisticated terminology, to be sure, the old ruling-class argument of the "outside agitator." This basic falsification of the character of the mass social movement in this country—in *any* country—permeates all of Lasswell's thinking and recurs as a running commentary throughout the book. In other words, Lasswell treats Communism as an alien ideology which is in impact with "national" aspiration and ideals, instead of seeing it as an inevitable phenomenon arising from the nature of the struggle of the American working class against capitalist exploitation. This fundamental distortion causes him to misrepresent the relationship of the various Communist Parties to each other through the Communist International, and permits him to speak of a ruling elite in Moscow attempting to spread its influence throughout the world. Not understanding (or deliberately refraining from understanding) the real nature of the class struggle, he must come to nonsensical conclusions on the progress of the movement. We shall return to this last point later.

(2) Following Pareto, Lasswell views politics as the struggle between elites (small leading groups) for influence and control over the masses. Representative values in the struggle are deference, safety and income. Propaganda is accordingly conventionally defined as "the control of attitudes by the manipulation of symbols," and is viewed as the weapon of struggle between elites for control. By this means, Lasswell accomplishes two things which are convenient for his purposes. First, he thereby strips world politics of any semblance of justice or right on *any* side (therefore the only reasons for taking sides in political conflict are sordid reasons of personal gain); and, secondly, he is able to regard as irrelevant the whole structure of capitalist society, thereby eliminating the class struggle from his arsenal of concepts. In practice, this view leads him to play

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* We have been able to determine that Professor Lasswell made no effort officially to communicate with Party headquarters in Chicago during this period. Since Lasswell used police records, as seems clear, an analogue might be afforded by a study of the Soviet Union by way of the opinions of Nazi officials in Berlin.

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down the tremendous suppressive role of monopoly capital in public life, through its control of media of information and education, as well as of official and private repressive agencies, in counteracting progressive movements—a position which completely invalidates his conclusions on the effectiveness of Communist activity.

(3) Applying Freudian concepts to mass movements, Lasswell analyzes political radicalism in terms of personal emotional insecurity, and interprets the role of revolutionary propaganda to be that of dividing the *superego* (the internalized, largely unconscious conventions and precepts of society) against itself. In so doing he commits the serious error of trying to explain mass political movements in terms of the psychological factors in the persons involved in the movements. That this psychoanalytic approach to politics is becoming the fashion is well known to those familiar with the field. Some years ago Flugel, an English psychoanalyst, developed the thesis that the October Revolution of 1917 in Russia was a response to the strong father-fixation under which each individual who participated suffered in varying degree. More recently Erich Fromm, a German exile now in this country, gave as the reason for Hitler's rise to power in Germany the supposition that the German masses could *not* overcome their father-fixation (Hitler as the father-symbol), a view which Schuman, in his analysis of fascism in *The Nazi Dictatorship,* has expressed as a "mass neurosis of the middle-class."

All these theories suffer from a common difficulty. They give as the *main* reason for political change something which is, at best, a result of more fundamental causes. Of course, psychological insecurity may be, in isolated cases, a reason for engagement in political activity. But such personal insecurity is itself a *function* of the structure of society, and it is only in terms of this structure also that political movements can be understood. Nevertheless, it is this kind of error that leads Lasswell to present case studies of "typical" Communist leaders and to seize upon any indication of personal difficulty as the "reason" for political activity. If Lasswell were correct, the capitalist class would merely have to institute a widespread system of political mental hygiene for the masses in order to guarantee their own position forever. Since they could not successfully deal with the underlying causes without eliminating capitalism, such an admonition would be as frivolous as it is pointless, and could only lead to reactionary conclusions.

(4) In order to measure the progress and success of Communist propaganda during the period under consideration, Lasswell applies a variety of indices. Although he attempts to correct for various factors, the major indices are three: rate and character of recruitment, amount of time per individual in carrying on Communist work, and volume and character of expenditures. Now, although these indices have the appearance of great objectivity, they actually do little more than scratch the surface of the problem. Anyone at all familiar with the methods used and problems faced by the Party realizes that one of the most important consequences of activity is that of steeling the Party membership, of enriching their knowledge of strategy and tactics, of enabling them to "master Bolshevism," as Stalin has put it. It is here that the degree of superficiality of Lasswell's acquaintance with Marxism-Leninism reveals itself most clearly. The progress and development of mass social movements cannot be estimated on the basis of a single five-year period, no matter how exhaustive the analysis of a given period. It would be more appropriate, if still not final, to use the *present* level of activity in Chicago as a measure of the success of past activity, since the former is unthinkable without the latter. And if Lasswell went still further and tried to discover the relationship between Party activity in Chicago and mass social movements throughout the country then and now, he would come closer to an objective appraisal of the progress of the movement, although his task would be, of course, much more difficult.

The notable successes of the progressive movement in Chicago in recent years, in which the Communist Party played a prominent role, are attested to by the increased unity and tremendous broadening of the labor movement, involving the organization of key industries; the election of progressive Congressmen; the recent re-election of Mayor Kelly on an out-and-out New Deal program;

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the reduction of the number of Republican aldermen; as well as the establishment of a daily progressive newspaper (the *Daily Record).* All of these facts reflect the truth that since the Party made a turn in its work after the Seventh Congress of the Communist International, many shortcomings have been overcome and the work is now moving forward. The great acceleration in the rate of Party recruiting in Chicago (over 6,000 members in 1938 as compared with fewer than 3,000 in 1935), the change from narrow to mass methods of work, the real influence of the Party in the every-day life of the community shown indirectly in a thousand actions—all these facts and many more indicate the essential absurdity of Lasswell's conclusion. It is a real indication of Lasswell's covert intention in writing this book that, although the publication date is 1939, no mention is made anywhere of these striking successes—harbingers of greater victories to come.

(5) Finally, in discussing reasons for the supposed failure of Communist Party propaganda, Lasswell presents three major factors: first, that the propaganda failed because it was in conflict with the basic patterns of American nationalism; second, that it ran head-on against "native" American individualism; and, third, that the propaganda failed because it was directed largely toward the "unstable" members of society (the unemployed, the underprivileged), and therefore served merely as a "catharsis." That these problems (of which the third is fundamentally false) present, and have presented, real tasks for the progressive movement, cannot be denied. At the same time, it is absurd to assert, even by inference, that these problems are fundamentally insoluble by the Party. The Party's achievements during the last few years indicate clearly that these problems are being met with increasing success. But that they are "reasons" for "failure" (the latter itself being improperly determined, as we have indicated above) is highly questionable. Curiously enough, Lasswell himself indicates, throughout the course of the book, the real factors that stood in the way of widespread espousal of the Communist program. The repressive power of the capitalist state (use of the police, etc., to restrict and break up meetings and demonstrations); the miserably inadequate finances of the Party (Lasswell's own analysis disposes conclusively of the legend of "Moscow gold"); and the tremendous power of the forces of counter-propaganda (the newspapers, schools, magazines, moving pictures, radio, etc.) which the ruling class had at its disposal—these are the really important difficulties which the Communist Party struggles to overcome. To talk of "failure" without examining the character of the situation in which a given operation takes place—in which case no failure would have been disclosed—is to express wishful thinking, not scientific analysis.

World Revolutionary Propaganda, though containing interesting material, is a quite misleading and, throughout, quite vicious book. Lasswell presents certain techniques for the breakdown and analysis of slogans and speeches which, in the hands of a more honest analyst, could be of real value to the progressive movement in carrying on its educational work. It is all too clear, however, that in Lasswell's hands they are used to discredit and destroy rather than to examine and construct. Where his points are most forceful are in those cases where he can make capital of certain sectarian errors committed in Chicago during the period under consideration. In general, however, the fog of spurious theory; the evident, perhaps deliberate, restriction of the analysis, and the completely inadequate evidence for his general conclusions, make the book merely an additional, if quite pretentious, exercise in the art of red-baiting. *World Revolutionary Propaganda* turns out to be a dangerous contribution to *counter*-revolutionary propaganda.

GEORGE W. STEWART.

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